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RELIEF GRANTED MOTOR INDUSTRY STIMULATES TRADE

Factories Being Enlarged And Price Cuts Boosting Sales

CREDIT BASIS SOUND

Less Than One-half of One Per Cent. Loss on Instalment Business in Canada

The granting of a rebate on motor accessories and the remission of the 5 per cent. excise tax on motor cars has had the effect of clearing away the cloud of uncertainty surrounding the automotive industry as a result of the tariff reduction recently announced by the Dominion Government. Current optimistic statements of plans and policies made this week by leaders in the automotive field indicate that this important industry with all its subsidiary lines is entering upon a period of expanding business, rather than being seriously handicapped. General Motors is reported to be making a half-million dollar addition to plant and equipment. Further announcements of price reductions have been made and are expected to increase sales during the balance of the year.

The business implication of all this is that an industry producing goods worth more than $110,000,000—employing more than 10,000 in the automobile plants alone—involving capital amounting to $75,000,000 in manufacturing plants and equipment, is relieved of a degree of uncertainty which only a few days ago caused much alarm. The tariff reduction has involved advantages and disadvantages to the industry, and to business at large. The disadvantages to the industry concerned have not proven so serious as was at first anticipated. It is probable that they will have the effect of broadening the domestic market for cars. On the other hand it is urged that the changes are not sufficiently great to induce anyone to buy who would not otherwise do so. This is problematic. What is certain is that the industry is adjusting its policies to the new conditions, and will carry on as before in the Canadian market. Similarly, the remittance of the excise tax is not sufficient in itself to increase sales materially, but the advantage which it gives to the Canadian manufacturer, especially in foreign markets, is important, as is also the rebate on parts. One of the leaders stated this week, "the last concession, together with those that went before, now make it possible for the industry to go right along. We are all feeling optimistic about the result of the last change."

Automobile Financing on Sound Basis

From the consumers' standpoint, the changes have increased the value of the dollar in relation to the motor car, and this potentially expands sales. Canada's average increase in automobile registrations year by year is approximately 12 per cent. Last year there were 728,005 motor cars, and at the normal rate of increase there will be probably 815,000 registered this year. The effect of the adjustments will be cumulative, so that the annual increase is expected to become greater year by year. This means an increase both in cash and in time sales of motor cars. In respect to the latter there has been some apprehension in the United States that over-expansion was taking place. There are those in Canada also who are critical of the effect which the increase in the partial payment plan is having upon purchasing power. More than 75 per cent. of motor cars are now purchased on this basis. An analysis of this type of business shows that losses in Canada are extremely small—undoubtedly less than one-half of one per cent. This is evidence of the soundness of the business. The credit situation, although on a sounder basis, is similar to that of the United States concerning which a leader in the automobile financing field said recently: "If the decline in the motor stocks must be interpreted as indicating bad times ahead for the motor industry, I must disagree with the stock market. My own observations of current conditions show a healthy situation, and I look for continued normal development in the business, notwithstanding all the pessimistic forecasts which have been current since early this year."

Connors Brothers Enjoys Increased Sales This Year

Business of Connors Brothers, leading sardine packers of the Dominion, with plant at Black's Harbor, New Brunswick, has been showing substantial improvement this year. Run of fish has been excellent and both domestic and export sales have improved. New foreign markets are being found for the company's products, which represent about 90 per cent. of the sardines packed in Canada.

Cut in sales tax on canned fish from 5 per cent. to 2½ per cent. has helped the company. In the past, it has been in the practice of absorbing the sales tax.

Company was re-organized about a year ago to permit of the purchase of a substantial interest by St. John and Toronto interests.

Canada Must Cut Taxes Further to Stay in Race

Burden of Carrying Enormous Debts We Have Assumed Serious Factor in Business — Public Utilities Create Big Debt — Canada Lags Behind U.S.A.

By CHARLES P. FELL,

Dominion Chairman, Committee on Municipal Administration and Finance of the Investment Bankers' Association of Canada.

The public debt in Canada, including the funded debts of the municipalities, provinces and the federal government, has increased from approximately $100,000,000, or $29 per capita, in 1867 to $4,177,258,426, or $452 per capita, on January 1st, 1925. In 1867 each citizen was responsible for the payment of interest and principal of bonds and other securities totalling $29. To-day this has increased to $452—more than fifteen times as large. By far the greatest part of this total is the federal debt, municipal debts ranking second and provincial debts third in amount, the respective present amounts per capita being:

	Debt per capita	Percentage
Dominion	$264	58%
Municipal	108	24%
Provincial	80	18%
Total	$452	100%

To the recent World War may be attributed $1,670,000,000 or 40% of our total public debt. To our investments in revenue-producing enterprises, including amounts expended on the Canadian National Railways since 1920, may be attributed another 28%, or, excluding the war debt, railways and public service enterprises account for almost half the total public debt.

The war debt was willingly contracted and the burden of it will be cheerfully borne, but to under-estimate its size and the degree by which it definitely reduces the amounts which we may with equanimity borrow in the future, would but court those financial ailments which have for years injured the credit and retarded the development of states and municipalities abroad which have borrowed imprudently.

Our Public Utility Debts

Our public debt contracted for railway, public utility and other revenue producing purposes is substantial—in fact, aggregating as it now does, approximately $1,203,000,000, it shows, over a period, a rapidly increasing percentage of the aggregate. Part of this represents the very large amounts which have been advanced by the federal government to the Canadian National Railways since 1920, $636,000,000, according to a recent statement of the Hon. Charles A. Dunning, and this amount does not include the capitalization of these railways, nor the amounts previously expended for railway purposes. Provincial and municipal investments in hydro-electric power systems, waterworks, street railways, telephone systems, country grain elevators, etc., account for the balance. The total of all of these represents 28% of the public debt.

Canada is undertaking public ownership enterprises on a much larger scale relatively than the United States. In fact, this tendency accounts in large measure for the higher per capita debt in Canada when compared with the United States. For example, exclude altogether from consideration the federal government investment in the Canadian National Railways and compare only the debts for such purposes of the states and cities of the United States with the Canadian provinces and municipalities. In Canada our investments in public service enterprises represent approximately 32% of the total provincial and municipal debt—in the United States, including the states and cities, approximately 14%. In actual dollars the contrast is still more striking. In Canada we have borrowed $61 per capita for these purposes, in the United States $22.

Some of the Big Ones

Of the sum total of these investments the Canadian National Railways, the Ontario Hydro-Electric Power System, the Temiskaming & Northern Ontario Railway and the Government telephone systems of Manitoba, Saskatchewan and Alberta represent more than half of the aggregate. The manner in which all such public enterprises are conducted, the degree of business efficiency and conservative accounting methods employed, no less than a surplus or deficit in profit and loss account, should be matters of continuing public interest. It yet remains to be satisfactorily determined whether our present large and increasing ventures in government and municipal ownership as a whole, are either economical and profitable, or costly and fruitful only of increase in taxation.

The provinces and municipalities rather than the federal government have been the cause of increase in the funded public debt since 1920. Of the $654,000,000 increase in the past five years, 59% is attributable to the provincial governments and 41% to the municipalities. The federal funded debt during the past six years has been reduced by $25,000,000. If efforts are to be made towards a reduction of this debt, or at

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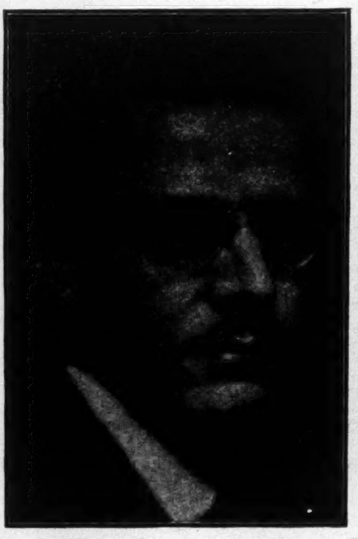

CHARLES P. FELL,
of the Dominion Securities Corporation, who delivered a notable address to the Investment Bankers' Convention at Jasper Park.

NEW STORAGE PLANT BUYS OUT FIRM

Business of Toronto Terminal Warehouse Company Purchased

Canadian Rail and Harbor Terminals, which is erecting a $7,000,000 terminal warehouse on Toronto's lakefront, purchased this week the assets and business of Toronto Terminal Warehouse Company. The consideration has not been made public.

Toronto Terminal Warehouse Company has been occupying rented premises and the lease expires at about the date the new warehouse of the Canadian Rail and Harbor Terminals will be completed.

A further interesting announcement concerning the new warehouse was made this week when Hon. John S. Martin, minister of agriculture in the Ontario cabinet, stated that it would be used as a concentration point for agricultural produce to be graded by the government under its new plan for establishing the quality of Ontario farm produce in export markets.

PROSPERITY WITH US AGAIN; HICKS TELLS BOND MEN

Reason for Pride in Canada's Outlook, as Promise is Great

By L. W. HICKS,

Winnipeg, President, Investment Bankers' Association of Canada, in Annual Address.

After many years of struggle under a heavy tax burden, we see returning prosperity in Canada reflected in the Hon. J. A. Robb's budget speech, and an estimated reduction of taxation of some $25,000,000.

A $22,000,000 surplus towards reduction of taxation for all classes: abolition of the receipt tax; certain reductions in income tax; return to two-cent postage, and a favorable balance of trade of over $400,000,000, the greatest since before the Great War.

Do you remember only a few short years ago, some of our best financial minds were predicting financial blue ruin to Canada, struggling under the burden of the Canadian National Railway? What a different position to-day! True, still a heavy liability, but we have it on the authority of the minister of railways that the earnings, after taking care of operating expenses, are now sufficient to pay the fixed charges on outstanding securities in the hands of the public, which amount to some $931,000,000, or nearly half of the capital liabilities. So we see gradually and satisfactorily disappearing a burden, which only a few years ago was freely referred to as liable to wreck the financial structure of our country.

Better Farm Conditions

Then, we are essentially an agricultural country, more dependent, therefore, upon agricultural production than any other industry, and we hear almost generally from coast to coast the glad tidings of very much improved farming conditions, good crops, and good prices for practically all farm produce.

On July 1st next, it is announced, Canada will return to a gold basis. You may say: "What of that? Have we not been practically on a gold basis for some time?" True, but only the splendid stability of our affairs as they are make it safe to do that thing.

And within the last month you have seen the reports from practically the length and breadth of Canada that the employment situation is the best in many years.

Have we not reason to take pride in the outlook, and that we live in this land of so great promise?

Montreal "Power" Might Issue New Bonds and Preferred Stock

Possible That Present Shareholders Might Obtain One Bond, One Preferred Plus Two New Common in Eventual Split-up—Delay is Not Anticipated

From Our Own Correspondent.

MONTREAL.—Again, the long expected split of shares in Montreal "Power" is being keenly discussed—but this time, the general feeling is that action will not be much further delayed and that the anticipated split will take a decidedly different turn to that which has long been confidently expected.

It is being said that the stock will not be split three, four or five for one, but that Montreal "Power" will issue $30,000,000 in bonds and that the old common shareholders will receive in exchange for their common holdings: one new bond, one new preferred share and two shares of new common stock without par value.

The company has outstanding some $25,000,000 of bonds of subsidiary companies; the total capitalization of the "Power" itself is all in common shares of which there is some $64,000,000 outstanding.

Of course, the rumours do not indicate exactly what new securities are to be issued, but it is possible that it might issue, say $32,000,000 in 4½ per cent., 20 year bonds. This would allow an issue of another $32,000,000 in preferred stock which might bear interest at the rate of say 6 per cent.

Return to Shareholders

Should this prove to be the correct line up in the forthcoming distribution, it would mean that the present shareholders would receive a return of 10½ per cent. on their present holdings, plus two new shares of no par value common stock. This compares with a present disbursement of 8 per cent. annually.

With the stock selling steadily at almost 230, there is every reason to believe that eventually the company must make pay a decidedly higher return to the shareholders. Such a solution, while as yet it is hardly more than gossip, would undoubtedly be welcomed by the shareholders: it would, also, upset considerably the calculations of the dopesters who for years past have considered no such possibility in connection with the stock and only thought of the usual three, or four for one split.

Thus lately there have been many who have said that Montreal "Power" has been selling too high—but they have been figuring a four or five for one split in the stock and have not for a moment taken into consideration any such move as has been suggested in the foregoing.

Whether or not the split-up is coming immediately is not known—many times, such an action has been forecast in the past and every time that the stories got really "hot," the general expectations were shattered by the management. The present information comes from sources which are usually well informed—but on the other hand some of the rumors in the past have originated in other equally well-informed sources.

But in any event, there is no doubt that at the moment public attention is keyed up and the foregoing solution presents points which no doubt should prove attractive both from the point of view of the present, as well as the future development of the company.

Terminal for Six Bus Lines Established in Toronto's Heart

Indicative of the important place in modern transportation being established by the motor bus is the organization in Toronto of a union depot for the accommodation of the growing number of travellers who are realizing the advantages and comforts of rubber-tired highway vehicles. In this new terminal the public will be provided with facilities similar to those accorded at the railway depots, with comfortable waiting rooms, etc. Operating out of this depot will be six well-established bus lines with a total of twenty-three modern passenger vehicles. Routes are both local and provincial, extendnig West to London and North to Gravenhurst, with additional services planned which will increase the total of the operating buses to about fifty this year. The number of passengers now being handled is between 4,500 and 6,000 a day, it is stated, and the number is constantly growing with the regular services and the popular excursion trips during the summer season. Additional services to northern resort towns like Collingwood and Midland are being organized and these are expected to serve a great number of resort residents and holidayers during the next few months.

An interesting feature of this new bus terminal in Toronto is that it has been established in the heart of the city, at the corner of Albert and Bay Street, just across from the city hall. Thus has been solved by the rubber tired vehicles a problem which has vexed the suburban railway companies for years and proved the knot which the Ontario Hydro Radial promoters were never able to unravel in

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Huron and Erie Bids for Second Toronto Co'y

LONDON.—The acquisition of the Hamilton Provident and Loan Company by the Huron and Erie Mortgage Corporation is understood to be one of a number of proposals for purchasing smaller mortgage loaning institutions which have been and are still under consideration by the London institution.

At least two Toronto companies have been definitely approached by negotiators for the Huron and Erie and, as previously reported, in the case of the Canada Landed and National Investment a bid was submitted prior to the annual meeting but was not favorably regarded by the controlling body. Representatives of the London company have also had conversations with the officials of another Toronto institution, but these have not as yet progressed so far as a definite offer, although a merger is more than possible if terms can be agreed upon.

The policy of the Huron and Erie recognizes the difficulties of the mortgage loaning institutions, with higher rates for capital, lower rates on loans and government competition and legislative undermining of mortgage security. The smaller companies find it hard to make satisfactory profits under these conditions. The advantages are with the companies which can increase their volume of business in relation to general overhead charges. The Huron and Erie therefore proposes to expand.

SPANISH ABITIBI PLAN PROGRESSES

Difficulties in the Way of Merging Companies Are Being Ironed Out

In connection with the improvement in the market for Spanish River and Abitibi stocks, this week has been a revival of the stories of a merger between these companies. Months ago it was stated that basic principles for effecting such a merger had been established, and it was a question of getting details arranged on an equitable basis. Evidently difficulties have arisen in this connection, but recent developments would indicate that these are being surmounted. Already there are certain working arrangements between the two companies. Both operate through the same selling agency, both concerns have a joint interest in the Manitoba Paper Co., and the personnel of the two have heavy interest in the Fort William Pulp and Paper Co.

The chief obstacle up to the present has been found in the varied status of the securities of the two companies, and the difficulty of establishing a common working basis. For example, control of Spanish River rests with the bondholders. This was fixed by the reorganization of several years ago, when the company defaulted in its bond interest payments. The directors are virtually trustees for the bondholders. There are some five grades of bonds and notes of the Spanish River Co. and its subsidiaries outstanding, of which three are callable in whole or in part before maturity, while the remaining issues are not callable except for sinking fund purposes. By virtue of an agreement made in 1915 the bondholders of the company receive 10 per cent. of all cash dividends paid on the preferred and common stock of the parent company since July 15, 1920, on which date they received in preferred stock 10 per cent. of the amount of that stock issue as a 42 per cent. stock dividend in payment of accrued preferred dividends. The preferred stock also participates equally with the common after 7 per cent. has been paid on the latter. The financial structure of the Abitibi Co. is less involved. The funded debt comprises three bond issues outstanding, one only of which is callable. The 7 per cent. preferred stock is cumulative, but not participating. The establishment of these various grades of securities on a common basis by the elimination of the several features is the task that, it is understood, is now receiving careful attention.

REORGANIZATION BESCO MAY BE UP TO BONDHOLDERS

Segregation of Steel and Coal Interests Possible Outcome

LOOKING TO OTTAWA

Immediate Future of the Company May be Decided by the Attitude of Government as to Assistance

Holders of the securities of the British Empire Steel Corporation and component companies are now looking to Ottawa for the next developments bearing on the future of the steel industry of the Maritimes and the market for their stocks and bonds. Officials of the corporation have asked the government for assistance in the form of adequate protection, or a bonus on production. If something is not done at once, drastic steps looking to financial reorganization are anticipated. Default of interest payments on the 1st mortgage five per cent. bonds and the consolidated five per cent. issue of the Dominion Iron and Steel Corporation on July 1st is forecast. This promises to put the property in the control of the bondholders and a general reorganization, in which the coal and steel interests may be segregated, is being discussed in financial circles.

SYDNEY.—No great surprise was occasioned here by President Wolvin's report of a million dollar loss on last year's operations and his intimation of an impending re-organization of some of the constituent companies, if not the whole Besco financial fabric. It had been reported here for some time that Iron and Scotia would both go into liquidation and that Frank B. Jones, of Canada Cement, a former general manager of Iron, is to be receiver. Considerable amounts of stock in Besco and its subsidiaries are held locally, but there is little concern here over the prospect of a receivership, providing some effort is made to keep the mills working.

The outlook for Dominion Steel is dreary. On Tuesday the last of a 43,000 ton C.N.R. rail order was rolled and the rail mill has closed indefinitely. The nail mill, which has been kept in continuous operation throughout the most severe of previous depressions, has also been closed down. The rod mill is working on single turn or shift, one blast furnace is producing basic iron and another foundry iron.

Besco, in fact, has been able to hold and even increase its export market for steel and steed products, notably wire, in such far away parts

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Newsprint Production Helps the Paper Stocks

MONTREAL.—The figures of newsprint production for the month of May reveal the fact that the Canadian output amounted to 153,969 tons, as compared with a production in the U. S. of 141,032 tons. The average daily production in this country during the month reached the highest figure in the history of the industry and amounted to 6,048 tons; the average daily production in the U. S. has remained stationary at 5,687 tons since the beginning of the year. It is interesting to note also that stocks on hand at the mills are considerably lower than at the same period of last year, which all indicates that the reported strength in the spot newsprint market is founded on a definite scarcity of the product.

This situation has been reflected in the strong market for the newsprint stocks this week, with sharp advances by Spanish River, Abitibi, Brompton, and some of the other favorites.

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The Trend of Business and Industry

Conducted by H. M. CAMERON, Statistical Editor, The Financial Post.

The Background of Canadian Business

WEEKLY REVIEW OF CONDITIONS

Motor Price Cuts Stimulate Competition.
Building Spurt Helps Allied Lines.
Price Maintenance a Live Issue.
Tourist Money Gets Into Circulation.

Business men are still showing a live interest in the effect of the tariff adjustments upon the automobile and related industries. Following Ottawa's final decisions with regard to these changes come announcements of further price reductions by some of the leading manufacturers, and one of the largest firms operating in Canada has announced its decision to make a half-million dollar addition to its present plant and equipment. While these price recessions are expected to widen the market for motor cars in Canada, still keener competition is looked for in this market during the next few months.

Nearly a fifty per cent. rise in building activities during the past two months has stimulated several subsidiary lines of steel and builders' hardware. Reports of the latter from several sections of the country show increased demand. Prairie cities report much new work in hand and Vancouver is expected to establish a record this year. Building trades are keenly active in the leading Eastern cities. There is little change in the basic steel situation. Slight changes in steel bar and sheet prices in Pittsburgh are not likely to affect the market here at present. Manufacturers generally are quite optimistic with regard to the second half of the year. Reports are current of several large industrial undertakings to be launched in the near future.

Price Maintenance Plan Watched

The retail trades of Canada are keenly interested in negotiations preliminary to the adoption of a price maintenance policy in the Canadian drug trade. The grocers of the country have already given consideration to a similar policy, but are at present awaiting the outcome of the movement in the drug trade. It seems probable that the matter will soon become an issue in the courts to determine whether or not the organization is a "combine in restraint of trade." On that decision will depend the future progress of price maintenance in Canada.

Maintenance of resale prices has attracted much attention by individuals and by groups of manufacturers. This has been a live issue in the States and elsewhere, but promises to be brought to a head very shortly in Canada, as the registrar under the Combines Investigation Act has collected considerable information to use when the first request is made for an investigation.

The week brings news of further progress in the movement towards group buying. Much consideration is being given to the form of organization which would best meet the requirements in the different trades. The hardware trade, for example, is keenly interested. The individual members of the recently announced merger of department stores were formerly members of buying groups. Now they will be in a position to take advantage of centralized buying. It is estimated that a saving of anywhere from 15 to 30 per cent. can be made by such an organization in purchasing alone, and that the central office is conducted at a cost not exceeding three per cent. of the volume of business done. These are some of the tendencies towards further merchandising economies referred to in these columns recently.

A note of optimism in the retail business news of the week has resulted from a return to more seasonable weather, and a consequent rise in the volume of buying. It has also brought onto our roads a larger number of motor cars bearing United States license plates, and this means more money in circulation.

Canadian Business Indicators

INDUSTRIAL

Car Loadings—

	1926	1925
Week June 5	61,587	49,619+24.1%
Year to date	1,238,731	1,123,369+10.2%

Grain Receipts—

	1926	1925
Aug. 1 to June 4	367,959,685	241,108,913+52.6%

Building—

	1926	1925
5 months	$58,604,178	$48,128,741+21.7%

Railway Earnings—

4 Months—	1926	1925
C. P. R.	$54,201,059	$ 49,223,560+ 10.1%
Oper. Exp.	45,520,352	43,919,278+ 3.6%
Net	8,680,706	5,304,281+ 63.6%
4 Months—		
C. N. R.	$76,501,805	$ 69,093,343+ 10.7%
Oper. Exp.	66,812,587	65,318,560+ 2.3%
Net	9,689,217	3,774,782+156.7%

Pig Iron Output—(tons)

Apr., 1926	Mar., 1926
67,607	53,251+ 27%

FINANCIAL

Bank Clearings—

	1926	1925
May	$1,457,770,430	$1,309,598,823+11.3%

Savings Deposits—Chart. Banks—

April	$1,340,450,250	$1,263,964,473+6%

Current Loans—By Banks—

April	930,964,621	909,360,244+ 2.3%

COMMERCIAL

Balance of Trade—

12 months, April 30—	1926	1925
Exports	$1,328,743,664	$1,092,551,749+21.6%
Imports	936,099,334	795,864,047+17.6%
Balance	392,644,330	296,687,702+32.3%

Wheat, No. 1 Nor., Winnipeg—

1926	1925
June 14 $1.49	June (Av.) $1.71

Cattle—(Good, Toronto)

June 14 $8.75	June (Av.) $7.69

Hogs—(Select, Toronto)

June 14 $15.50.	June (Av.) $13.07

WHEN REMITTING
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MOISTURE BADLY NEEDED IN PARTS OF PRAIRIE AREA

Dry Weather Has Caused Serious Soil Drifting in the South

A fairly general need for more moisture is the note sounded in almost all sections of the prairie provinces since the completion of seeding operations. Conditions are by no means serious, but there are many sections in the southern parts of Alberta and Saskatchewan where the crops have suffered rather badly from lack of moisture and where soil drifting has required re-seeding. Otherwise, satisfactory progress is being made.

In Saskatchewan wheat and coarse grains are making good progress, and are generally reported to be in a healthy condition. Seeding of all grains is now completed except for a small acreage to be seeded for green feed.

A few days of high winds caused some damage on light land and it has been necessary to do some re-seeding. Cutworms are quite numerous, and have done considerable damage in spots. Taking the province as a whole, however, the damage is not great. The weather during the last two weeks has been cool and showery, and there are few places in the province where there is not a plentiful supply of moisture. In the southwest a good rain would be welcome, but the crops are holding up well and are not suffering for the present, although the soil is getting dry. Light frosts have been reported in some points in the eastern part of the province, and some gardens have been affected. There appears to be very little change in the acreage seeded to flax this year as compared with last year, and there is a possibility of a slight decrease.

In Alberta and Manitoba conditions are somewhat similar, southern Alberta, where moisture is seriously lacking in places, being an exception. In both provinces the crops got an earlier start than usual and are now developing rapidly, being several inches high in places. Cutworms have appeared in parts of Manitoba but have not caused very much damage yet. Wheat is looking exceptionally well both in Alberta and in Manitoba, generally speaking.

Varying Conditions in the East

In contrast with conditions in the West, the crops are at least two weeks later than average, in Ontario and still later in Quebec. The weather during the past month has been cold in Ontario, with some frosts, but no serious damage has been done. More than 30 per cent. of the winter wheat was winter-killed and the ground, in such cases, has been reseeded with spring grain. Coarse grains are well above the ground, and their outlook is said to be very satisfactory. Seeding in Quebec is probably 75 per cent. completed, but there are many sections of the North where it is just being started as a result of very backward weather conditions.

In the Maritime Provinces the same unsatisfactory conditions have resulted from cold and backward weather, and seeding has been held up anywhere from two weeks to a month. Potato planting is now in full progress and the fruit bloom appears to be about average.

Backward weather conditions have retarded growth also in British Columbia, but decided improvement is reported so far this month. A heavy yield of hay is expected. Fruit prospects are promising, although small fruits are expected to be below average.

THE WISE BUSINESS MAN
speaks to his prospective customers in their own language. Are you doing so in Quebec?
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Prosperity Coming, Says National Cash Official

Supporting his belief that Canada may be facing its greatest era of prosperity, A. E. McLean, managing director of the National Cash Register Co. of Canada, Ltd., stated at a conference of managers of the company held at Dayton recently that general improvement—no boom, but a steady advance—is marked by all competent observers.

A. E. McLEAN.

"The employment situation is better than it has been in a long time; the mining industry is flourishing; railroads are doing unusually good business," he said. "If a good crop is taken up in Canada this year, the Dominion should experience the best times in its history; and, according to responsible reports, present crop conditions are as good as they have been in any year."

In support of his remarks Mr. McLean cited records made by his own organization in Canada. He said that the last two months, April and May, were the largest in the history of the company's operation in Canada. In May, the biggest month in the 44 years of National Cash Registory, the Canadian organization led the seven divisions of the company's American selling force. The Canadian organization also finished first in April, and is in the lead for the first five months of the year.

"Canada also has the distinction of having the first two sales agents in the American selling force to secure 100 per cent. of their quota of sales for the entire year," Mr. McLean added.

"These agents are W. E. Wright of Winnipeg, Man., and J. T. Brownrigg, of Vancouver, B.C. It is an unusual accomplishment for the yearly quota of an agency to be attained at so early a date, and indicates salutary business conditions. Good records also are being made in Montreal, Toronto and other Canadian cities."

Merchandise Shipped in Larger Quantities

A sharp upward trend took car loadings to a level more than 4,000 cars above the week before, during the week ended June 5. The fact that the largest increase was in merchandise shipments indicates that general business is somewhat more active. The total was 61,587 cars. Compared with the same period last year total loadings were heavier by 11,969 cars, and the largest increase took place in Eastern Canada, although the West showed an improvement of about 2,000 cars. The cumulative figures for the year to date are 1,238,731 cars against 1,123,350 for the same period last year.

All Records Exceeded by May Building Contracts

May building contracts made a record for all time. A total of $57,139,700 compares with $37,291,600, for building contracts awarded during May of last year, an increase of 53 per cent., and an increase of 67 per cent. over May, 1924. For the first five months of the year the total was $140,357,200. This exceeds the 1925 record, for the same period, by 52 per cent. Ontario led the other provinces with 40.9 per cent. of the total, and Quebec came next with 33.5 per cent. With regard to classes of building, engineering projects led with $24,013,000, or 42 per cent. of the total.

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Coal Buying Season Here; Price Trend is Normal

Nothing more than a glance over the prices of coal month by month for the past ten years is necessary to persuade any manufacturer or householder that he ought to buy his next winter's coal supply early in the year. The low point of prices is usually around March. From that time on there is a gradual upward movement until the end of the year, and commitments made now, it is reasonable to suppose, will be made at lower prices than could be made some months later. Fortunately, Ontario at least has formed the habit of buying coal in the spring months, and the dealers are given several months in which to deliver it at their convenience.

While there is a natural variation from year to year, due to various factors of supply and demand, it is clear to anyone at a glance that there is a swing upward in prices each year, after the first two or three months.

Canada's requirements of coal annually range from 25,000,000 to 35,000,000 tons, of all grades. During the past calendar year the total made available was 29,579,221 tons. Of this total, 13,592,740 tons were produced in Canada and 16,762,542 tons were imported. A small quantity, less than 1,000,000 tons was exported. The value of coal produced in Canada during the past five years averaged $61,438,131. At the present time the supply of coal available for distribution in the United States and Canada is approximately normal. Preliminary estimates point to a negligible increase in American production. Most of the authorities among the coal trade journals assume the position that about 9,000,000 tons weekly, the American output of bituminous coal, is in excess of actual consumption needs of the industries in normally good business conditions. The effects of the British coal strike are extending to world trade in coal, having already materially modified the position of steamer tonnage in the Atlantic. Continental countries are rapidly assuming a capacity stride in output, and stocks are small. The pre-strike efforts of English producers to conserve supplies were shown in a 400,000 ton reduction in April exports of coal from the United Kingdom. These facts tend to counterbalance, and there is nothing in the immediate situation to indicate either a material shortage or surplus. This would suggest the normal upward trend of prices during the balance of the year.

This upward trend in prices towards the end of the year is well illustrated by the price movements of anthracite, as illustrated by the following schedule of prices:

COAL, ANTHRACITE, EGG

Price per ton f.o.b. Toronto, carload lots.

	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925
January	$5.87	$6.16	$6.82	$9.00	$9.80	$13.20	$12.34	$11.52	$12.46	$12.24
February	5.87	6.16	6.90	9.00	10.20	13.20	11.99	11.52	12.51	12.24
March	5.87	6.16	7.20	9.05	10.20	13.20	11.69	11.72	12.51	12.24
April	5.87	6.16	7.20	9.05	10.20	.....	x11.69	11.72	12.00	13.02
May	5.74	6.16	7.41	9.15	10.20	12.28	x11.60	11.72	12.04	13.12
June	5.83	6.30	7.41	9.25	11.60	12.28	x11.69	11.72	12.13	13.22
July	5.92	6.30	7.41	9.40	11.70	12.48	.....	11.82	12.17	13.21
August	6.01	6.52	7.90	9.45	11.80	12.57	.....	11.82	12.17	13.42
September	6.16	6.52	7.90	9.55	13.20	12.57	11.69	11.82	12.24	13.52
October	6.16	6.52	7.90	9.60	13.20	12.75	11.52	12.46	12.24	13.52
November	6.16	6.52	7.90	9.60	13.20	12.75	11.52	12.46	12.24	13.65
December	6.16	6.82	9.00	9.80	13.20	12.34	11.52	12.46	12.24	13.65
Average	$5.97	$6.36	$7.67	$9.33	$11.54	$12.66	$11.73	$11.90	$12.25	$13.09

xNominal.

Canada's Fuel Problem Calls for Several Grades of Coal

Anyone closely in touch with Canada's protracted attempt to solve her anomalous fuel situation during the past decade or more has arrived at this conclusion, at least, that the answer is not yet apparent. That man who states decidedly that this or that is the solution shows that he has not grasped the problem, or that he has some interest to be served. The predicament of having your coal hundreds and even thousands of miles from your industrial area, and no market near your source of supplies involves problems not solved in a day. This is what Canada faces.

Briefly, the solutions suggested, and already in operation, to a greater or less degree, are, dependence on anthracite and some bituminous coal from the United States, use of the coal of all grades both hard and soft from the vast fields in Alberta, the shipment inland of Nova Scotia's coal, and, lastly, imports of Welsh coal, and some as well from Europe. These alternatives are inclusive, eliminating, for the moment, other forms of fuel.

Turning first to Alberta's almost limitless supply of coal of all grades — 60,000,000,000 tons, perhaps — it is urged that the natural course for Canada to follow is to subsidize the railways in the shipping of this coal to the industrial areas of the East. The Drumheller coal fields have close to thirty well-equipped and efficient mines capable of producing efficient coal to satisfy the domestic demands of Ontario for many years to come. Two questions must be answered. Is the grade satisfactory, and, can the coal be shipped to Ontario economically?

Alberta Coal Satisfies the East

The first question has already been answered to the satisfaction of hundreds of Ontario homes. Drumheller coal has proven to be of a quality that will stand shipment to the East, and to give satisfaction in any furnace if properly attended to. The mine operators of Drumheller have shipped many hundred-thousands of tons of their coal to Ontario, in carrying out marketing experiments during the last three or four years, and they have carefully compiled facts gathered from users all over Ontario, as to the merits of Drumheller coal. The contention has been advanced by some that there is too much moisture in the Alberta coal. It is claimed that the pure water content is almost negligible, and that the moisture substance is made up of very necessary substances that go to improve the coal.

How is the coal to be brought to Ontario? This question has not yet been answered. There are those who affirm, quite conclusively, that to subsidize shipments would not be economically possible. Operators express considerable optimism in regard to the freight rate question. They believe that public opinion will sooner or later force public action. They say it has been suggested that the coal rates might be taken out of the freight tariffs thus allowing the railways to make a permanent rate that would allow Western coal to enter the Ontario market at a reasonable cost. Many operators seem to feel that the railways are willing and agreeable to make the rate for the coal to the East, only to do so would lead to all manner of complications in regard to rates to intermediate points between the mines and Ontario.

Would Solve the Market Problem

From Alberta's standpoint nothing could be more satisfactory. Some coal can be sold to the Western States, but this market is limited owing to the scarcity of industrial areas. Furthermore the time of buying would be more opportune. The Ontario public has been educated to order its coal in the early spring and let the dealer put it in his cellar at his leisure. It would mean that the breakup of winter, when the western demand for coal eased, would be marked by a period of keen activity to get out enough coal for the Ontario market. It would also, incidentally, come at a time when the railways are experiencing their slackest period and when the bulk of the freight then moving would be westward bound. "Give us a chance to operate our mines at capacity the year round—the Ontario market could do that—and we will provide the railways with a tremendous tonnage of Ontario products and manufactured goods coming West," said one of the operators to The Financial Post recently.

Be this as it may, no one will dispute the fine qualities of Alberta coal. The problem still is to get the coal to Ontario, economically.

Nova Scotia Coal Serves Quebec

At the other side of the continent is the Nova Scotia coal which is of excellent quality but which faces the same problem of shipment. Under present conditions and at present prices, it is feasible to ship Nova Scotia coal only to Quebec and Eastern Ontario. There is also the Nova Scotia coke. It has been said that the 1922 strike put coke on the market. While coke was not then a new fuel in the Ontario market, it had previously made little headway. There was a general impression among consumers that special equipment was necessary, that it burned too quickly and that it would ruin the grate bars in a furnace. The expansion of the domestic coke plant in Hamilton from a 450-ton-a-day plant to a 1,000 ton-a-day plant is concrete evidence of how successful the marketing of coke has been.

Then there is also the British anthracite to which reference has already been made. At first British operators made no attempt to suit their product to the Canadian market, but this was later done, and last year we imported 545,000 tons of British coal. The larger portion of the tonnage was placed in the Province of Quebec, and it would appear that in the future at least 50 per cent. of the Quebec market will be supplied by British anthracite.

Nor is the much mooted embargo on United States anthracite yet an actuality. It is right and proper that Canada should take steps to assure her of independence in this regard, but we are still good customers of the United States in this respect, and it is probable that large quantities of hard coal will be imported from the United States for some years to come.

It is thus apparent that no one of these solutions answers the question completely. It is rather a combination of them all. It is strongly probable that more and more of Alberta coal will reach Eastern cities, especially as the population in the intervening areas increases. Like many other Canadian problems, population would prove a solution. As the West expands and needs larger quantities of Eastern products, the return of empty cars will no longer present a problem, and this will go far to solve the freight rate question. This, at the same time, will solve Alberta's marketing problems. Meanwhile Pennsylvania coal will continue to reach the Ontario market, probably in diminishing quantities. As far as Eastern Canada is concerned, it is probable that British and continental coals will be imported to a greater or less extent to supplement the Nova Scotia product. All these factors will enter into the solution of our fuel problem, but no one yet knows in what proportions they will variously increase.

MANITOBA FOUNDRIES TO REBUILD

WINNIPEG.—The Manitoba Foundries Company, which suffered the total destruction of the company's plant near the town of Selkirk a few weeks ago, has decided to again locate on the same site in which the destructive fire occurred and work has already started on rebuilding. The building will cost $150,000 with machinery installed.

Further Business Expansion Indicated by Current Loans

Current loans by Canadian banks during April again showed material expansion to the government returns for that month. The increase was over $31,000,000 and current loans are now greater by nearly $22,000,000 than shown in the corresponding statement for 1925. During the month savings deposits increased by nearly $3,000,000 showing a total increase of about $76,500,000 compared with a year ago. However, the fact that the increase in current loans recently has been much greater proportionately than in savings deposits would seem to indicate a change in the general trend which for months has been showing an increasingly large surplus between savings deposits and current loans.

Canadian call loans during April showed an increase of over $13,000,000 while call loans abroad were reduced by $34,600,000. This indicates the relatively sound position of the Canadian security market during the readjustment of values in Wall Street.

Loans on government securities were reduced more than $20,000,000 during April and loans on public securities nearly $6,000,000. Specie increased $7,000,000 and municipal loans over $6,500,000. Demand deposits showed a reduction of about $22,500,000, and foreign deposits over $7,000,000.

During the year ending April call loans abroad were reduced by $23,000,000, while Canadian call loans were increased by $28,000,000. Current loans in Canada increased by $21,600,000 and loans abroad by more than $62,000,000.

As compared with a year ago an important reduction has been made in noncurrent loans from $11,229,000 to $9,500,000. This is significant as indicating the improved position of the banks in regard to frozen credits.

BANK STATEMENT FOR MONTH OF APRIL

Immediately Available Liquid Resources

Assets	April, 1926	March, 1926	Change	April, 1925	Change
Specie	$ 66,992,733	$ 60,069,810+$	6,922,923	$ 56,744,177+$	10,248,556
Dom. notes	117,323,061	122,148,729—	4,825,668	135,549,867—	18,226,806
Gold Res.	62,460,332	62,860,332—	400,000	52,702,533+	9,757,799
U. K. Banks	11,709,137	8,023,305+	3,685,832	7,172,146+	4,536,991
For. Banks	61,141,604	66,777,933—	5,636,329	57,183,898+	3,957,706
For. Curr.	28,189,948	22,089,641+	6,100,307	27,653,287+	536,661
Gov. Secs.	355,888,016	376,765,107—	20,877,091	353,067,899+	2,820,117
Call loans, ab'd.	205,844,448	240,446,694—	34,602,246	228,911,396—	23,066,948
	$ 909,548,279	$ 959,181,551—$	49,632,272	$ 918,985,203—$	9,435,924
Loans and Securities Other Than Those of Canadian Government					
Pub. Secs.	130,213,699	135,995,059—	5,781,360	151,364,585—	21,150,886
Rly. Secs.	63,726,514	63,906,476—	179,962	59,674,528+	4,051,986
Can. Call Loans	147,879,528	134,556,239+	13,323,289	119,836,937+	28,042,591
Current	930,964,621	900,379,266+	30,585,355	909,360,244+	21,604,377
Loans ab'd.	273,101,814	270,325,691+	2,776,123	210,774,040+	62,327,774
Prov. loans	19,069,001	17,461,788+	1,607,213	13,561,604+	5,507,397
Municipal	74,684,652	68,105,045+	6,579,607	67,030,640+	7,654,012
	$1,639,639,829	$1,590,729,564+$	48,910,265	$1,531,602,578+$	108,037,251
Other Assets					
Non-Curr. Loans	9,503,316	9,571,127—	67,811	11,229,076—	1,725,760
Real Estate	8,547,915	8,541,547+	6,368	8,678,334—	130,419
Mortgages	5,376,630	5,225,650+	150,980	4,066,525+	1,310,105
Premises	72,316,764	72,913,710—	596,946	72,968,762—	651,998
Lets. of Cred.	73,991,438	70,611,459+	3,379,979	61,450,095+	12,541,343
Loans to Comp.	5,089,152	5,382,712—	293,560	5,807,961—	718,809
Other Assets	3,005,258	2,965,450+	39,808	3,447,563—	442,305
	$ 177,830,473	$ 175,211,655+$	2,618,818	$ 167,648,316+$	10,182,157
Total	$2,727,019,581	$2,725,122,770+$	1,896,811	$2,618,236,097+$	108,783,484
Note cir. dep.	5,810,527	5,815,163—	4,636	6,235,845—	425,018
Int. Bk. Bal.	125,718,853	120,809,301+	4,909,552	128,848,218—	3,129,365
Gross	$2,858,548,961	$2,851,747,234+$	6,801,727	$2,753,320,160+$	105,228,801
Liabilities to the Public					
Circulation	161,311,976	163,952,235—$	2,640,259	150,761,459+	10,550,517
Dom. Govt.	41,894,451	22,602,643+	18,291,808	23,945,184+	17,949,267
Prov. Govt.	27,285,727	23,229,187+	4,056,540	29,113,355—	1,827,628
Govt. Advances	21,000,000	10,000,000+	11,000,000	17,600,000+	3,400,000
Deposits by Public					
Demand Dep.	537,262,710	559,688,681—	22,425,971	513,221,775+	24,040,935
Savings Dep.	1,340,450,250	1,337,573,158+	2,877,092	1,263,964,473+	76,485,777
Total Can.	$1,877,712,960	$1,897,261,839—$	19,548,879	$1,777,186,248+$	100,526,712
Foreign Dep.	325,985,694	333,318,401—	7,332,707	367,573,912—	41,588,218
Due to Banks Abroad, Etc.					
U. Kingdom	5,091,086	7,314,656—	2,223,570	8,179,870—	3,088,784
Foreign	40,075,291	38,047,333+	2,027,958	31,192,964+	8,882,327
Bills Pay.	9,765,726	10,561,438—	795,712	10,566,431—	800,705
Lets of Cred.	73,991,438	70,611,459+	3,379,979	61,450,095+	12,541,343
Other Liab.	1,714,534	1,874,172—	159,638	1,687,488+	27,046
Public Liab.	$2,585,828,883	$2,578,773,363+$	7,055,520	$2,479,257,006+$	106,571,877
Due Bet. Banks	10,971,245	11,373,381—	402,136	12,643,738—	1,672,493
Liability to Shareholders					
Dividends	1,327,548	700,270+	627,278	1,334,766—	7,218
Reserve	125,441,700	125,441,770	....	122,191,700+	3,250,000
Capital	116,164,660	116,164,660	....	120,164,660—	4,000,000
Gross	$2,839,734,036	$2,832,453,374+$	7,280,662	$2,735,591,870+$	104,142,166

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TORONTO 2

The Securities Markets

LESS ACTIVITY BUT GAINS ARE GENERALLY HELD

Little Tendency to Follow New York to Higher Levels

Market Indicator

20 Industrial Stocks	High	Low
Week of June 16	93.3	91.2
Week of June 9	92.9	91.2
Mth. of June, 1925	78.8	73.4
9 Bank Stocks		
Week of June 16	$223	$222
Week of June 9	223	221
Mth. of June, 1925	207	205
10 Public Utilities		
Week of June 16	93	92
Week of June 9	93	92
Mth. of June, 1925	90	86

The Canadian stock markets have for the most part marked time during the past week. They have again displayed a tendency to follow their own course as they frequently have during the big slump and recovery in New York. For some weeks now there had been a tendency to advance prices for individual stocks on the basis of current business and prospects for the immediate future. With this rise there were certain evidences, referred to last week, of distribution, and this had supplied a check to bullish operations, despite the tendency of Wall Street to carry its erstwhile market leaders to higher levels.

Developments of the week have been generally of a constructive character, but the season is not one when speculative enthusiasm can readily be aroused or sustained. The announcement of the government in regard to concessions to the automobile industry in the shape of a reduction in the excise tax on the moderate priced cars, has, with other budget amendments, largely disposed of the objectionable features of the recently announced tariff cuts. The April bank statement indicates business expansion. Car loadings indicate a good volume of business. Crop reports are favorable, and if they continue so until harvest, the purchasing power of the agricultural community should be well sustained with general benefits for industry.

The change in the excise tax on automobiles had the effect of restoring confidence in the future of a number of companies manufacturing parts and accessories and the shares of these companies showed a sharp recovery on the market. This helped some steel stock, but other stocks in this group, notably those of the Besco companies were weak, and altogether recessions and advances were about equally divided.

The pulp and paper group gave a good account of itself, with some important advances recorded. Sentiment regarding the paper stocks, and the newsprint group in particular, has been very uncertain for the past year or so because of the prospects of over-production. A business reaction in the United States was feared and when there were certain indications that this was materializing prices declined considerably. However, conditions on the other side of the border are now showing a tendency to recover and, with prospects of even greater demands for Canadian paper mill products, the shares of the strong companies are again in demand.

Bank stocks are generally strong, indicating confidence in the business situation. In the foodstuffs, utilities and general industrial groups changes were about equally divided, up and down, and the ranges were generally narrow. Following is a summary of the week's movements in the various groups:

	Gains	Loss	Unch.	Total
Banks	6	2	1	9
Paper	5	2	10	17
Steel	6	6	18	30
Foodstuffs	6	15	17	38
Utilities	.9	10	10	29
Tractions	2	4	9	15
Textiles	1	2	12	15
Industrials	11	7	30	48
Totals	46	48	107	201

The New York market has continued to supply influence of a bullish character. A number of leaders have been singled out in that market for special attention and the advances have been very impressive. Among the students of the financial and business situation, however, the opinion seems to be pretty generally held that the recovery which has been under way for about a month is a temporary affair and that it will be followed by further liquidation before the complete readjustment from the recent speculative excesses is worked out. This view is expressed by Bache & Co.:

> In estimating the stock market, it must be realized that present prices are still averaging seven or eight points higher than at this date in 1925, at which time more or less of an advance was taking place. It is also well to realize that the market, from its high point, has declined only 20 per cent., which is an unusually small percentage if compared with former important bear movements.

A similar view of the situation is taken by Col. Ayers, of the Cleveland Trust Company:

> In this recent bull market prices rose until the average stocks sold for more than 18 times their dividends, and they are now selling for about 16 times their dividends. Measured in this way their prices are about as high as they were at the peaks of the bull markets of 1916, and 1919, and 1923. They are still so high that it seems unlikely that they could start another important advance from this level unless stimulated by some such improbable development as greatly improved prospects for industrial profits.

SMELTERS WILL PAY THREE DOLLAR BONUS

Half Yearly Payment to Shareholders $3.75 — Production Being Maintained

Consolidated Smelters' shareholders receive the regular 3 per cent. dividend, or 75 cents per share, and a bonus of $3, or $3.75 in all.

This was the decision of the directors' meeting this week. The market for the shares clearly indicated an expectation that a $5 bonus would be paid. Now they are saying that the $3 payment presages something good for the year-end. A $5 bonus was paid at the first of the year. Discussing operations to date, the directors' report says:

"Operations are proceeding as usual. Production is being maintained. The output is well sold, though metal prices have been and are unstable.

"Production figures for the second quarter will be published on July 5.

"An estimate of the half-year's profits should be available about July 25."

Some estimate that these figures will be around $8,000,000 net.

Gilman Fanfold Common Is in Stronger Demand

Although business in the United States during recent months has shown a tendency to react moderately, following a period of marked expansion and activity, the Gilman Fanfold Corporation reports a broadening demand for its products as compared with last year especially among the larger industrial, commercial and financial institutions where manifold folders are used extensively. Just at present businesss indications are again more favorable, although there is some uncertainty as to what the latter months of the year may bring. The company's profits for 1926 are expected to compare favorably with last year.

The market for Gilman Fanfold securities has not been active of late. The common has not been traded since the end of March when it sold at 108 as compared with a present quotation of 112 bid.

NATIONAL DRUG DOING BETTER

The National Drug and Chemical Co. is enjoying a considerable increase in the volume of its business this year compared with the first months of 1925, according to an official of the company. This improvement is due to the increased purchasing power in the West and to the generally improved tone of trade throughout the country. There is no early prospect of dividends.

FAMOUS PLAYERS

The 509 additional first preference cumulative shares of Famous Players Corporation, were listed on the Montreal Stock Exchange Monday.

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Food Products

MILLERS LOSE IN CONTENTION ON STOP-OFF RATES

Board of Railway Commissioners Rules Present Charges Are Proper

Holders of milling stocks will be interested in the decision handed down by the Board of Railway Commissioners recently, with regard to the application of the stop-off charge on export grain. The Dominion Millers Association had made the complaint that the Canadian railways are not applying the stop-off charge of 1 cent per 100 pounds on the bulk export grade rate from Fort William to Atlantic ports and from Bay ports to Montreal. They also made the claim that where there are two rates on bulk grain from the shipping point to the same destination for export, the stop-off charge should apply on the lower rate. The Board decided that the railways are applying the stop-off rate in accordance with its orders, and that there are not two rates from any point.

The stop-off rate is of very great importance to Western Canada. The complaint arose out of the two orders issued by the Board, one in 1922 and one in 1924. The first provided that a stop-off charge of not more than one cent per hundred pounds was to be charged for grain in transit. This was confirmed by the second order, issued in 1924. It was argued by the Millers' Association that the export rate on wheat from Bay ports to Montreal was 14.34 cents, and that the one cent stop-off rate would bring it to 15.34, whereas the rate actually in force on grain milled in transit was 17.50 cents.

The judgment points out that subsequent to the two orders referred to, the Board considered the matter of the rate from Bay ports to Montreal, and issued an order fixing the rate. As to the rate from Fort William, the judgment finds that there are not two rates in effect, but that one governs wheat and the other flour. The real point of issue seems to be whether the stop-off rate applies to wheat or flour. A miller ships wheat from the head of the lakes, mills it in transit and exports the flour. The railways have been charging the flour rate, and, in addition, the stop-off charge. The millers maintain it should be the wheat rate plus the stop-off charge. The difference is one cent per hundred pounds. The Board finds that the railways are justified in basing their charges on the flour rate.

Production statistics just published show that the output of flour for the first nine months of the crop year are well up to last year's figures. Prices, however, have eased somewhat, so that the business is not so profitable, relatively, as was the case last year. Flour production for the first nine months totalled 14,687,762 barrels against 14,621,802 a year ago. Exports of flour for the period amounted 8,162,973 barrels against 8,276,039 for the same period last year. For the ten months period ending May, flour exports were 8,888,825 barrels against 8,758,534 last year. This was valued at $59,747,162 against $62,252,147 for the first ten months of last crop year.

Maple Leaf Profits Likely to be Lower

While the financial statement of the Maple Leaf Milling Co. for the year ended March 31, 1926, is not yet available at time of going to press, it is intimated that the profits of the company will be below those of last year. This is due to a falling off in foreign business, although domestic business has measured up very well.

Some of the blame for the unsatisfactory conditions existing in the milling industry during the past year is said to be attached to the fact that the Wheat Pool has been disposing of Canadian wheat to European millers at prices far below what they would have been, if the current price in Canada, in conjunction with freight and other charges, had been taken into consideration. It is understood that the advantage granted foreign millers was at times as high as 14 cents a bushel. Canadian millers were thus forced to charge the ruling rate for wheat as a basis for flour, and, in addition, the prevailing freight rates on flour which are higher than on wheat. As a result they could not compete with European prices and maintain an adequate profit. On numerous occasions they were compelled to meet the lower prices prevailing in Europe although it meant operating close to the margin of profits. Foreign business is almost half of the total carried on by some of the Canadian millers, hence the importance of the unsatisfactory situation existing in European business.

B.C. Fishing Benefits From Higher Prices

More satisfactory prices for British Columbia fish products and further operating economies are expected to bring net earnings for the year up to more than $800,000, or $20 per share. Last year the company earned $578,000 against annual dividend requirements on the present $5 rate, or $214,500. At the present price of around 68, the investor can buy into the company on a basis of $2,900,000 whereas assets would appraise at $5,000,000 of which more than $2,000,000 is net quick assets.

CANADA BREAD DIVIDENDS

Little disappointment was expressed concerning the fact that Canada Bread paid only the regular dividends on the first preferred and B preferred shares. There was some rumor that a dividend would be paid on the new no par common stock. The market has been strong, but it is not thought that this was connected with the rumor. At any rate the shares held firm after the announcement.

St. Lawrence Flour Mills to Nearly Earn Dividend

From Our Own Correspondent

MONTREAL.—Rumors about the St. Lawrence Flour Mills Company indicate that at the close of its fiscal year on August 31 it will be in a position to report that earnings for the year will be almost sufficient to provide for the preferred dividend, after taking care of all operating and fixed charges. If this should be so, it is a little better than has been generally anticipated by the majority of those in touch with the milling industry.

The past year has been a difficult one for the industry as a whole, even more so than last year. Production has been maintained; but this has been the aim of all the companies, in order to keep overhead at as low a figure as possible and also to retain the markets which have been established abroad.

Moir's Earnings in 1925 Exceeded Expectations

From Our Own Correspondent.

MONTREAL. — The net profits of Moir's, Limited, for the year ending December 31, 1925, amounted to $252,937. This figure was after operating, maintenance and depreciation charges had been deducted.

Bonds in the company were sold some months ago; until then, there had been no public investment interest in the property. From the foregoing figures, it will be seen that earnings during 1925 were considerably in excess of the estimated figures which were published at the time the bond issue was first offered the public.

At the close of its fiscal year, Moir's was in a sound liquid position with current assets of $1,235,537, of which $48,117 was cash, against current liabilities of $303,420, leaving a net working capital of $932,117. It is understood that the sales volume for the first quarter of 1926 has been well maintained.

Cuban-Canadian Sugar May Show Lower Profits

Although the Cuban-Canadian Sugar Company produced 40 per cent. more raw sugar last year than the year before, 255,869 bags against 181,704, it is understood that the financial results of the year's operations will be somewhat disappointing. It is stated that the profits for the year ending June 30 will be considerably below those of the previous year owing to unsatisfactory prices.

Some action has been taken during the year to remedy the price difficulty by limiting the acreage of sugar to be planted next year, and special legislation is being sought to reduce next year's acreage by 10 per cent. This condition is expected to remedy the situation for Cuban-Canadian as well as for the other producing companies, although it came too late to affect the situation this year. During the year ending June 30, 1925, the company showed an operating profit of $184,660 and gross income of $290,692, but after deductions of $329,401 for interest, depreciation, etc., there remained a deficit for the year of $38,709, compared with profits of $341,228 the previous year and $373,260 two years before. The balance sheet of the company shows a total deficit of $739,722, which has been reduced from its peak in the year 1921 of $1,463,630, that is, about cut in two. Preferred dividends were paid for the entire fiscal year of 1920-21, but nothing has been disbursed on the preferred since that date, nor can it be for a considerable time to come.

SPILLERS MILL CONTRACT

Plans of Spillers Overseas, Ltd., for the completion of their mill in Calgary are so far advanced that the contracts have been let to an English company for equipment. The contract for the completion of the structure will be let within the next few days. The foundations and about two storeys have been finished, and eight more storeys are to be built. The project when ready for operation will represent an outlay of $4,000,000 to $5,000,000.

GIVES EMPLOYEES STOCK

F. J. O'Connor, president of Fanny Farmer Candy Shops, Limited, states that 400 employees of the company had received an outright gift of stock totalling 10 per cent. of the outstanding preferred stock and a substantial block of common. Division of the stock is to be made on the basis of present salary and length of service. Mr. O'Connor indicated that earnings of the chain this year are expected to aggregate $500,000 on sales of between $3,500,000 and $4,000,000.

MUIRHEAD'S CAFETERIAS

The earnings of the above company for May, after providing for depreciation, amounted to approximately $6,000, as against $4,200 in May, 1925. This is at a rate in excess of $70,000 per year, as against $26,000 required for preferred stock dividends.

There has been no change in seating capacity during the period, nor has there been any change in the hours of service. This increased business is a reflection of the excellence of quality and service.

DOMINION STORES SALES

Sales of the Dominion Stores Company, Ltd., for May were $1,445,538, against $1,122,300 for the corresponding month last year, an increase of $323,237, or 28.8 per cent. For the five months ended May 31, sales totaled $5,891,522, against $4,609,656 for the corresponding five months of 1925, an increase of $1,281,865, or 27.8 per cent. During May twelve new stores were opened, bringing the total in operation to 411, as compared with 378 at the end of May, 1925. While the sales for the month of May show an increase of 28.8 per cent., the number of stores in operation at the end of the month show an increase of only 8.7 per cent., indicating that substantial increases in sales are being made.

National Cash Doing Big Business in Canada

Salesmen of the National Cash Register Company in United States and Canada in May secured the largest month's business in the 44 years of the company's history. Sales orders totaled 172,147 selling points which equals approximately $4,500,000 in sales, according to an announcement made to-day by officials of the company.

The Dominion of Canada led the field in sales with 203.9 per cent. of its quota. Compared with May, 1917, which brought in a volume of business equalling 37,883 points, on the last day of May this year N. C. R. salesmen rolled up 35,116 points or almost the equivalent in a day of the month's business in 1917.

"This year the National Cash Register Company will exceed in the volume of sales any previous year's record," declared J. H. Barringer, vice-president and general manager. "We are beginning a new era of industrial advancement."

PRICE OF C.P.R. IS HARD TO GAUGE

Higher Prices Forecast for This Year — Depends on Harvest

From Our Own Correspondent.

MONTREAL.—Many predictions, in the press and elsewhere, are being made that the C. P. R. stock will be selling at much higher levels before the year is out. There is no reason to doubt that for the long pull C. P. R. stock is an excellent purchase, but forecasts such as these must surely have been made without taking into consideration all the factors which affect the earnings of the C. P. R., for it is only upon the earnings of the road that the market bases its valuation of the stock. In the first instance, the price at which C.P.R. will sell next December probably depends on the size of the western crop this autumn. Therefore, any investor, who is watching C.P.R. stock closely, would do well to scrutinize week by week the various crop reports from the prairie provinces, for upon these he should be able to gauge in a measure the future market price of C.P.R.

Depends on Imperial Trade

As the road is such a large link in the chain of Imperial trade, the company also depends, to a degree, upon the general state of trade within the Empire. Earnings from this source are the more marked, of course, in the special income account, in which is included the earnings from its ocean services, although the road benefits also from coast to coast railway traffic. It can be seen, therefore, that the company depends for its earnings, not only on the status of the world's shipping industry, but also on the conditions affecting trade and commerce in Great Britain.

The outlook for British commerce at the moment is not promising, for every indication points to the fact that one of its basic industries, namely, coal, cannot be produced as cheaply as coal from fields on the continent. This naturally affects all other lines of business in Great Britain; one effect of this is seen in Germany recently securing orders for vessels, which, in the past, most certainly would have gone either to Belfast or to the Clyde.

On the other hand, British investors may thus begin to purchase even more foreign securities, and C.P.R., once a favorite with British investors, and heavily sold during the war period, may become in larger demand in Great Britain. This, naturally, would tend to strengthen the price of the shares on the various exchanges.

The investor, then, who desires to keep in the closest touch with the market movements of C. P. R., must watch, not the road itself, but the major domestic and foreign factors which affect its earnings.

Sharing in the strength of the New York market leaders recently, Canadian Pacific early this week sold up to 162. C. P. R. stock sold at the first of the year under 150 and has been strong pretty consistently since. Early in February it sold up to 163 and eased off to 153 in April. It is expected to maintain its present position so long as good crop prospects for the next harvest continue.

MONTREAL.—E. W. Beatty, the president of the C.P.R., is in England primarily to place orders for the construction of two new pasesnger liners of 17,500 tons each and five cargo vessels of 10,500 tonnage, involving a total expenditure of some $15,000,000.

Sir Herbert Holt, a director of the company, is also overseas; it is thought that he, too, has gone abroad in connection with this deal. The purchases were forecast in the last annual report of the company.

Goodyear Tire to Run Cotton Plant 22 Hours Day

Goodyear Tire Company plans to operate Goodyear Cotton Company, its new subsidiary, 22 hours a day. Even at this capacity production, plant will be able to supply only about 75 per cent. of the Goodyear's needs in tire fabrics.

Capacity of plant is being enlarged by addition of machinery costing about $150,000, although replacement value of machinery is stated to be considerably higher than this.

BANK OF TORONTO ADVANCES

Shares of the Bank of Toronto have been in good demand recently and have sold up to 217, as compared with sales at 213 last week. Shares of this bank sold around 213 to 215 at the opening of the year but advanced to a high of 222 about the middle of January.

BANK OF MONTREAL RECOVERS

Early last week shares of the Bank of Montreal sold down to 262, but they have since recovered to 265, which is within half a point of the high point of the year. This is taken as an indication of the generally favorable business outlook. Bank of Montreal shares opened the year at 260 but sold down as low as 252 in April.

DOMINION GLASS IMPROVES

MONTREAL.—The president of the Dominion Glass Company has stated that the company's western business has shown a large increase over last year, and for the fiscal year to date the revenues from this territory have increased more than 100 per cent. Business in the East is much the same as last year, showing only a marginal increase. At the moment, prices are firm and profits a little better than last year.

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Figures Confused in Converters and Burt Reports

The latter portion of the review of the annual report of the Pacific Burt Co., having been inadvertently appended to the article on the Canadian Converters statement in last week's issue of The Financial Post, some confusion may have resulted. The review of the Converters report should have concluded with the comparative statement of working capital. The summary of profit and loss figures for Pacific Burt would then have appeared as follows:

Profit and Loss

Year End. Mar. 31	1926	1925
Profits	$198,379	$197,161
Depreciation	72,196	67,707
Writ. off patents	12,552	12,552
Contrib. to employees	2,000	2,533
	$ 86,748	$ 82,792
Net profits	$111,631	$114,369
Pref dividends	45,206	45,206
Com. dividends	39,252	39,252
Balance	$ 27,173	$ 29,911
Surp. forward	206,537	195,748
	$233,710	$225,659
Taxes	14,902	19,121
Surplus	$218,808	$206,538

Pacific Burt's balance sheet showed an increase in assets of nearly $100,000, accounted for by larger inventories and plant investments, but the increases are moderate in view of the expansions in capacity and output referred to by President Moore. Following are comparative figures from the balance sheet:

The Balance Sheet

Assets	1926	1925
Current	$173,176	$454,851
Capital	876,603	[illegible]
Goodwill	[illegible]	[illegible]
Prepaid	[illegible]	15,946
	2,470,377	[illegible]
Liabilities		
Current	251,015	207,314
Stock	1,300,000	1,300,000
Bonds	323,500	[illegible]
Reserve	377,054	[illegible]
Surplus	218,808	206,538
	2,470,377	2,366,227

BIG TANK FOR ALCOHOL

The Horton Steel Company, the Canadian subsidiary of the Chicago Bridge and Iron Works, has been awarded the contracts for two enormous storage tanks which are being erected for the Quebec Industrial Alcohol, Limited, at their plant at Sorel.

These tanks have a capacity of $1,500,000 gallons each, and are the largest of their kind in Canada.

UNLISTED SECURITIES

	Bid	Asked
Can. Machinery, com.	5	..
Can. Westinghouse, com.	162	164
Cosgrave Brewery	..	4½
Dom. Power, pref.	96	99
Farmers Dairy, com.	47	..
Farmers Dairy, pref.	100	102
Dunlop Tire, pref.	77	80
B. Greening Wire, pref.	94	96
Copeland Flour, com.	2	4
Gunns, Ltd., pref.	26	30
King Edward Hotel, Deb. A.	78	80
King Edward Hotel, Deb. B.	58	60
K. & S. Tire, pref.	19	22
Loblaw Groc. pref.	101	.
Loew's Toronto, pref.	86	88
Loew's London, com.	3	3½
Pure Food, com.	28	31
Mount Royal Hotel, pref.	37	39
Willard's pref.	70	72
Capital Life 25% paid	23	26
Continental Life 20% Paid	35	..
Crown Life	122	..
Empire Life	22	..
Excelsior Life 25% Paid	47	..
Great West Life	360	..
Imperial Life	260	..
Monarch Life 10% Paid	21½	..
Ontario Equitable	25	27½
Re-Insurance	17	..
Security Life, 40% Paid	30	34
Sovereign Life, 25% Paid	26	28½
Toronto Finance, pref.	4½	5½
Trusts & Guarantee	77	..

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Mexican Electric Light Co. 5% 1942
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STERLING COAL PROFITS STILL BELOW DIVIDEND

More Favorable Conditions in Current Year Are Reported

Net profits of the Sterling Coal Company for the year ending May 31st, after deducting operating expenses, cost of management and bond interest, were $93,562, showing an improvement over the $70,639 reported for the previous year. Income was, however, still somewhat short of the 4 per cent. paid in dividends requiring $100,000 and the substantial surplus was reduced from $460,407 to $453,969.

Profit and Loss

	1926	1925
Net profits	$ 93,562	$ 70,639
Bal. forward	460,407	489,768
	$553,969	$560,407
Dividends	100,000	100,000
Balance	$453,969	$460,407

Referring to labor and other difficulties faced by the company during the year, President C. B. McNaught says:

"The operating conditions at our new properties, since the close of the year, however, are showing improvement, and both mines are now in steady operation. Extension of our allied property is under consideration and, if satisfactory arrangements can be completed, should reflect advantageously in the future operating results from these mines.

"The business of the Conger Lehigh Coal Company, Limited, was influenced and affected by the cessation of production in the anthracite fields due to the protracted strike, which commenced September 1st and continued throughout the fall and winter. It speaks well for this organization that in no case was there any hardship from lack of fuel experienced by this company's thousands of customers, the highest grade substitutes being furnished when anthracite supplies became exhausted.

"In last year's report, and at the annual meeting, attention was directed to the prospective sale of our Ohio properties and the appraisal of our Conger properties on a sound and conservative basis, and the necessary readjustment of our property accounts. From the statement you will notice that this has now been accomplished, with the result that our old mining properties have been entirely written out of the books, and as anticipated, the reserves previously set up for this purpose, proved more than sufficient. The balance of 'general contingent reserves' remaining, amounting to $139,774.05, after giving effect to this readjustment, and after providing $25,357.27 against development and expense in connection with the Allied and Melrose mines, has been sub-divided and now appears in the statement under the head of 'general contingent reserves' and 'general reserves against properties and investments.'

"Outside of these items, changes in the accounts for the year are normal, and your company has maintained a strong liquid position."

Current assets at $894.974 compare with $930,339, and current liabilities at $400,151 as against $398,504. Government bonds are carried at $547,972 unchanged and accounts receivable at $230,518 against $179,139.

Recommend Purchase of Oil Stocks at Present Prices

Recommending the purchase of Oil stocks now, F. R. Graham & Co., make the following observations regarding the prospects for Imperial Oil and its important subsidiary, International Petroleum:

"Not only is Imperial Oil attractive from the view-point of the earning power of its Canadian refining and distributing business but it has big possibilities from its control of International Petroleum, the South American giant producer, as well as from its Western Canada development. Its Royalite No. 4 well in the Turner Valley, Alberta Field, is the wonder of the world, producing 500 bbls. of pure gasoline daily as well as an abundance of natural gas. It is rumored that Imperial Oil dividend will shortly be raised to $1.50 or $2.

"With declining crude oil production in United States the eyes of the oil world are turning to South America as a future source of supply. It is generally conceded that International Petroleum has the best outlook of any of the South American producers. In Peru it is producing at the rate of 6,500,000 bbls. of crude oil per year, while the recent completion of the $15,000,000 Andian National 350 mile pipe-line from Colombia to Atlantic Seaboard will enable International Petroleum to take 40,000 bbls. per day from Colombia. Total potential production of International Pete is now 20,000,000 bbls. per year despite the fact that only a comparatively small part of its 2,000,000 acres in Colombia has been developed."

Canada Biggest Buyer of Britain's Woollens

The Monthly Bulletin of the Canadian Woollen and Knit Goods Manufacturers' Association will say:

"An extraordinary state of affairs is revealed by the British Government figures of their exports of woollen and worsted cloth for the first three months of 1926. Canada, with only a population of 8,500,000, heads the list of all countries by buying from Great Britain 7,449,000 square yards, which was 1,203,600 square yards more than in the same period of 1925. Australia, who increased her tariff, reduced her purchases by 1,264,700 square yards, and Japan, who also increased her tariff, reduced her imports by 2,863,100 square yards. The United States and the Argentine also reduced their purchases respectively by 368,900 square yards and 239,600 yards. Canada and China alone of these principal countries increased their purchases.

"The imports of woollen and worsted cloth from Great Britain for the first three months of 1926, and the percentage of increase or decrease for the same three months in 1925 are:

	Sq. Yds. 1926	Compared to 1925
Canada	7,449,000	19% increase
China	6,892,000	42% increase
U. S. A.	4,458,600	8% decrease
Australia	3,970,000	24% decrease
Argentine	2,888,300	7% decrease
Japan	2,435,700	113% decrease

"It will be noted that the only increases were to China, which has no protection, and Canada, which has an inadequate woollen schedule."

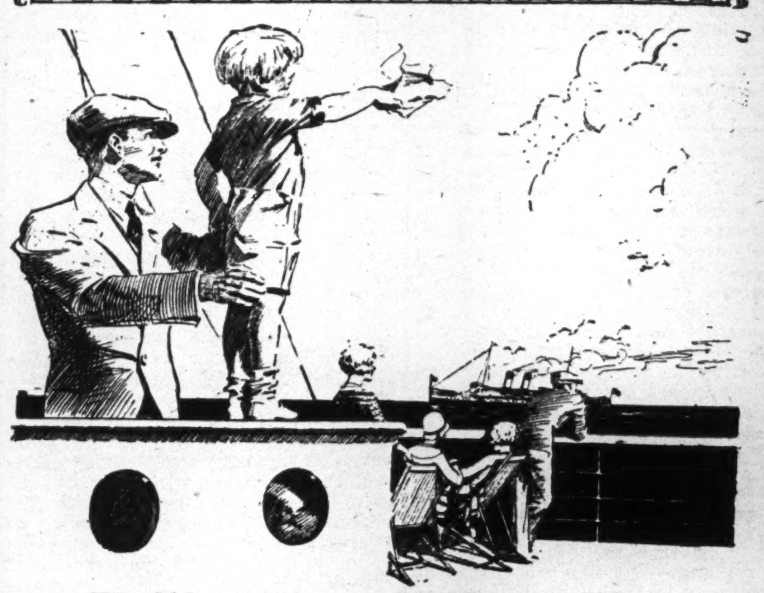
BANK OF NOVA SCOTIA STRONG

There has recently been new strength in the market for Bank of Nova Scotia shares, which have sold up above 287, as compared with a low of 283 last week. Bank of Nova Scotia shares opened the year at 281 and sold as high as 300 in March.

Stock Market Record

WEEK ENDING JUNE 15

	Div. Rate	Yield June 7	High for wk.	Low for wk.	Close June 15	Close June 8	Sales for wk.	Range, 1926 High	Range, 1926 Low
Banks—									
Commerce	12+1	5.96	219½	217⅝	219	218	132	226	214
Dominion	12+1	6.09	213½	213¼	213½	213⅛	20	219	210
Can. Nationale	10	6.36	157	157	157	157½	2	170	157
Imperial	12+1	6.30	207	205½	206	206¾	121	215½	200
Montreal	12+2	5.28	266	265	266	262	180	266	251½
Nova Scotia	16	5.56	287½	285	287½	285	97	300	281
Royal	12+2	5.60	250	248½	250	249	286	255⅛	248
Standard	12	6.09	197	196	197	197	15	200	195
Toronto	12	5.52	217	216½	217	213	15	222	218
Paper—									
Abitibi com.	4	5.55	72¾	72	72¾	72¾	2245	85½	70¼
Do. pref.	7	6.42	..	...	...	...	...	116	109
Abitibi com. (new)	.	....	..	...	...	...	...	22	22
Do. pref. (new)	.	....	..	...	...	...	...	68¼	68¼
Belgo-Can. com.	6	6.00	..	...	...	...	...	100	100
Do. pref.	7	7.14	98	97½	98	98	157	101	95¾
Brompton (no par)	.	....	31	30	31	30	525	35¼	26
Laurentide	6	6.81	89¼	86	88¾	87	3013	93½	81½
Price Bros. com.	2	3.12	64	64	64	64	90	72	57
Do. pref.	6½	6.50	100	100	100	100	10	100	95
Prov. Paper com.	6+1	6.79	103	102	103	102	54	104	100
Do. pref.	7	6.68	..	...	...	...	...	104½	100
Smith, Howard com.	.	....	52	50	50	52	144	54½	38
Do. pref.	8	8.16	98	97½	98	97½	45	101	92¾
Span. River com.	7	7.14	98½	98	98	97½	236	100	96½
Do. pref.	7	6.39	110	109¼	109¼	110	440	119	108
St. Maurice Paper	6	5.66	..	...	...	...	...	106	104½
Wayagamack	.	....	..	...	...	...	...	83	56
Steel and Steel Industries—									
B. E. Steel com.	.	....	⅝	½	½	¾	955	3½	½
Do. 1st pref.	.	....	13	12½	12½	12½	155	30	11½
Do., 2nd pref.	.	....	2½	2	2¼	2½	1335	10¾	2
Can. Car & Found, com.	.	....	40	39¾	40	39¼	25	49	33
Do. pref.	7	8.43	85	82	83	81½	277	85¾	73
Can. Fairbanks, pfd.	.	....	..	...	...	...	...	60	60
C. G. E. com. (par $50)	.	...	..	...	...	...	...	51	47
Do. pref. (par $50)	7	6.25	56	53½	56	56	48	60	53½
Can. Loco. com.	.	....	..	...	...	...	...	42	35
Do. pref.	7	8.43	..	...	...	...	...	89½	73
Canada Iron com.	.	....	9	9	9	10	2	10	10
Do. pref.	.	....	40	40	40	40	15	42	39
Dominion Coal	.	....	50	40	50	50	80	52	40
Dom. Iron, pref.	.	....	..	...	...	...	...	24¾	5
Dom. Bridge	4	4.02	99¼	98	98	99	250	99½	86
Dom. Radiator, pref.	7	6.98	..	...	...	...	...	103½	100¼
Dom. St'l. Corp. pref.	.	....	15	14¾	15	15½	150	25	10⅝
Ford Motor	10	...	..	...	...	...	...	622	500
Massey-Harris com.	.	....	52¾	52½	52¾	52½	629	60	40
Do. pref.	7	7.38	95	94	94⅝	95	177	97	93
N.S. Steel	.	....	..	...	...	...	...	...	...
Do. pref.	.	....	..	...	...	...	...	25	25
Ont. Steel, com.	4	5.47	73⅛	73	73	72	100	76	60
Do. pref.	7	7.14	..	...	...	...	...	102	100
Russell Motor com.	.	....	..	...	...	...	...	42	39
Do. pref.	7	8.97	..	...	...	...	...	80	76
Sawyer-Massey	.	....	..	...	...	...	...	...	...
Do. pref.	.	....	..	...	...	...	...	13	5
St'l. of Canada, com.	7	6.84	103	101¾	102	102	400	106½	95⅛
Do. pref.	7	6.03	116	115½	116	115½	38	118½	114
McKin. Ind. C. (no par)	.	....	25	20	25	17	277	26½	15
Do. pref.	7	7.77	90	90	90	90	20	92	88
Milling and Foodstuffs—									
Arnold's com.	.	....	26	25½	25¾	26	1833	26⅝	18
Do. pref.	7	7.65	91½	91½	91½	91	10	97⅞	89½
Atlantic Sugar, com.	.	...	27	26	27	26¼	1892	33⅞	21½
Do. pref.	.	...	82½	81⅝	82½	82½	70	88	75
B. C. Fishing	5	7.27	68¾	68	68¾	68¼	1630	75¼	57¼
Can. Bread, com. (no par)	.	...	68¼	67½	68	68½	285	70⅛	53
Do. pref. (A)	7	6.48	108	108	108	108	15	110	105
Do. pref. (B)	7	7.00	100	99	99	99½	137	100	96¼
Can. Canners, com.	.	...	13	13	13	13¼	15	15	12½
Do. pref.	1	...	64½	63	64⅜	64¼	387	67¾	60
Canadian Salt	8	6.20	131	129	129	134	6	145	129
Christie Bis. com. (no par)	.	...	..	...	...	...	...	63½	44¾
Do. pref.	.	...	..	...	...	...	...	...	...
Can. Bak., com. (no par)	.	...	34⅞	34⅞	34⅞	37	35	37⅞	26½
Do. pref.	7	7.36	95	94¾	94¾	95	41	98½	92⅞
City Dairy, com. (par $25)	12	4.05	74⅝	74⅝	74⅝	74½	35	81	67
Do. pref.	7	6.54	108	108	108	108	4	112	107
Cuban Can. Sugar, com.	.	...	..	...	...	...	...	5	3
Do. pref.	.	...	..	...	...	...	...	28	21½
Dom. St'rs, c. (no par 60c.)	.	...	59¼	59	59	59	167	68	56
Do. pref.	8	6.89	116	116	116	116	5	116	106
Wm. Davies (A)	.	...	30¾	30¼	30½	30¾	305	37½	30
Inter. Milling, pref.	7	6.93	101	100⅞	100⅞	101	22	105¼	99
Lake of Woods, com.	12	8.57	140	140	140	141	63	175	139
Do. pref.	7	6.03	117	116	118	118	65	118	115
Maple Leaf Mill., com.	.	...	63	62	63	63	34	88	50⅛
Do. pref.	7	7.36	95	94½	94½	94⅞	18	110	92
Ogilvie Flour, com.	5	2.71	184	183½	183½	185	65	200	165½
Do. pref.	7	5.88	120	118½	118½	117½	27	125	117
P. Gold Mfg. (no par 50c)	.	...	..	...	...	...	...	23½	20
Shred. Wheat (no par)	10	4.44	51¼	50¼	50¼	50¼	213	51¼	47½
St. Law. Flour, com.	.	...	35	34	35	37	50	45	28
Do. pref	7	8.53	..	...	...	...	...	84	82
Viau Biscuits, com.	.	...	27½	27¼	27¼	27½	16	27½	18
Do. pref.	7	8.23	85	85	85	85	260	89	85
West. Can. Flour	8	7.27	..	...	...	...	...	115½	110
West. Grocers, com.	.	...	5	5	5	5	51	13¼	4
Do. pref.	.	...	55	55	55	52	3	64	49
West. Grocers (new)	.	...	27	26	27	...	23	27	26
Utilities—									
Bell Telephone	8	5.75	140	138	138¼	138¼	754	141	131
Consumers Gas	10	5.71	175	172	172	172	97	183⅞	172
Int. Util. (A) (no par)	.	87¼	..	...	...	...	...	38½	32½
Do. (B)	.	...	..	...	...	...	...	9¼	7½
Consumers Gas Rights	.	...	4.35	4.05	4.05	4.07	2105	4.85	3.90
Cedar Rapids	8	...	..	...	...	...	...	40	40
East Kootenay Power	.	...	30	30	30	30⅞	5	32	25
Jamaica Pub. Ser. pref.	7	7.14	98	98	98	99	37	99	96¼
Laurentide Power	5	4.76	105	103	105	100	70	110	100
Mackay, com.	7	5.22	134	133	133	133¼	101	136	105
Do. pref.	4	5.67	70½	70	70½	70½	221	73½	68¾
Mexican Light, com.	.	...	31¾	31¾	31¾	31½	50	31⅞	29
Do. pref.	.	...	73½	73	73½	72	150	75	64
Mont. L. H. & Pr. Cons.	8	3.49	229½	226½	229	228½	11141	230	209
Mont. Teleg. (par $40)	8	6.55	50	49	49	50	27	51½	48
Ottawa L. H. & Pr., com.	6	6.21	96½	96½	96½	97½	10	100	96½
Do. pref.	6½	6.37	102	102	102	102	5	105¼	100
Ottawa & Hull	.	...	30	30	30	30¾	70	30¾	25
Do. pref.	7	6.14	..	...	...	...	...	116	109½
Quebec Power, com.	5	4.20	119¾	119	119	120	100	125	113
Do. pref.	.	...	115	114	115	114	19	115	110
Shawinigan	8	4.37	187	181	187	181	1607	191	167½
South. Can. Pr., com.	2.00	2.24	89	88	89	88	29	90½	83
Do. pref.	6	5.74	104½	100½	104½	100¾	18	104½	100
So. Can. Power Rights	.	...	1½	1½	1½	1¾	15	2	1½
No. Mexico Pr.	.	...	42½	42	42	42	25	47	42
Transportation—									
Can. Pacific Rly.	10	6.17	162	159½	162	159½	644	163	147
Can. Steamships, com.	.	...	18¼	18	18	18	540	20	11
Do. pref.	.	...	71½	69⅝	71	71½	800	73¼	56
Do. Voting	.	...	..	...	...	...	...	19	11
Tractions—									
Barcelona (par $50)	.	...	29	28¼	28¼	28	395	29	26
Brazilian, com.	5	5.11	98¾	96⅝	96¾	98⅝	15860	99	80
Do. pref.	6	5.94	..	...	...	...	...	102½	97½
Detroit Un. Rly.	.	...	2	2	2	2	25	3½	.2
Duluth-Superior	.	...	32⅜	31½	32⅜	32¾	40	32¾	25
Illinois Trac., pref.	6	6.23	..	...	...	...	...	96¼	96¼
Montreal Trams.	10	6.13	165	163	163	165	185	178	159
Ottawa Traction	4+1	8.00	..	...	...	...	...	65¾	60
Porto Rico Rlys., com.	.	...	..	...	...	...	...	47	40
Do. pref.	7	8.04	..	...	...	...	...	91	86½
Quebec Rly.	.	...	..	...	...	...	...	26¾	26
Twin City, com.	5	6.73	74¾	72¾	73	74½	1140	79½	68¼
Do. pref.	7	6.79	103	103	103	103	50	103	102¼
Winnipeg Elec., com.	1	...	47¼	47	47	47	450	54⅞	45¼
Do. pref.	7	7.08	98⅞	98	98⅞	98	80	100½	95
Textiles—									
Can. Conn. Cottons, pref.	4	10.00	..	...	...	...	...	49	40
Can. Converters	7	7.69	91	90	90	91	75	94	90
Can. Cotton, com.	8	7.08	..	...	...	...	...	124	113
Do. pref.	6	6.31	95	94	94	94	124	99½	94
Can. Woollens, com.	.	...	..	...	...	...	...	8	5
Do. pref.	.	...	47	45	45	45	35	50	45
Dom. Textile, com.	5	5.49	92¾	91	91	92	176	99⅛	89
Do. pref.	7	6.00	..	...	...	...	...	122	115
Monarch Knit., com.	.	...	..	...	...	...	...	10	3
Do. pref.	4	8.89	..	...	...	...	...	50	45
Montreal Cot., com.	6	5.82	..	...	...	...	...	105	102
Do. pref.	7	6.08	115	115	115	113	10	115	110
Penmans, com.	8	4.37	..	...	...	...	...	190	173
Do. pref.	6	5.81	..	...	...	...	...	104½	102
Wabasso Cotton	4	6.55	..	...	...	...	...	65	61
General Industrials—									
Amer. Salesbook, com.	4	7.08	57	55	57	54	154	70	54
Do. pref.	7	7.44	..	...	...	...	...	98	92
Asbestos Corp., com.	6	5.60	..	...	...	...	...	110	89
Do. pref.	6	4.74	..	...	...	...	...	128	109
Brantford Cord., pref.	8	7.54	26½	26	26½	26	88	27½	25⅝
Asbestos, com. (new)	.	...	23¾	22	22	23½	3568	24½	17¾
Do. pref. (new)	.	...	79¾	76	77¾	79¾	5551	79¾	62
Building Prod., pref.	7	8.04	..	...	...	...	...	87	85¼
Burt, F. N. c. (par $25)	12	5.28	56¾	54	55½	53	765	67	50
Canada Cement, com.	6	5.86	104	102	102¼	104½	606	111½	98
Do. pref.	7	6.08	115	113½	114½	113¼	37	120	112¼
Cons. Rubber, pref.	7	8.00	..	...	...	...	...	87½	86½
Can. Ind. Alco. (no par)	1.28	6.73	19⅛	18¼	18¼	19	1636	20	16¼
Crow's Nest Coal	6	9.09	66	63½	66	64	170	85	51
Dom. Glass, com.	7	7.36	95	95	95	95	35	105	85
Do. pref.	7	6.60	106	106	106	106	37	111	105½
E. Theat. com. (par $25)	.	...	25	23½	25	25	63	25¼	18¾
Do. pref.	7	7.93	..	...	...	...	...	90	88
Fam. Players, com.	.	...	..	...	...	...	...	18½	12
Do. pref.	.	...	90	89¾	90	89½	153	94¼	89½
Gilman, com.	6	5.55	..	...	...	...	...	108	104½
Do. pref.	7	6.03	..	...	...	...	...	116½	113½
Goodyear Tire, pref.	7	7.52	93	92	93	91¾	28	97	85
Holt, Renfrew, pref.	7	7.95	..	...	...	...	...	90	85½
Kelvinator, com. (no par)	.	...	18	17	18	18	107	20¼	15
Do. pref.	7	7.69	92	91	91	91	39	93⅞	90
King Ed. Hotel	.	...	32½	32½	32½	36½	20	41	25
Lyall Construction	.	...	46½	46	46	46	80	48	20
Nat. Brew, com. (par $25)	4	6.45	62½	60¾	61	62¾	1567	69	56
Do. pref.	7	6.54	107	107	107	107	10	110	106
National Brick, com.	.	...	..	...	...	...	...	12½	10
Do. pref.	7	11.66	65	60	60	60	82	72	60
Pacific Burt, com.	6	6.25	96	96	96	95	40	110	90
Do. pref.	7	6.57	166½	106½	106½	106	10	110	102
Port Hope Sani., com.	¾	3.48	87⅛	87⅛	87⅛	86	40	88	74½
Do. pref.	7	6.71	..	...	...	...	...	105	99
Rogers, Wm., com.	.	...	51	51	51	51	150	67	45
Do. pref.	7	7.40	..	...	...	...	...	97	90
Sherwin-Wms., com.	6	4.47	137	131	137	130½	335	135	125
Do. pref.	7	6.19	113	111¼	111¼	112½	307	114	110½
Sterling Coal	4	10.00	..	...	...	...	...	43	37
Tooke Bros., com.	.	...	..	...	...	...	...	8	8
Do. pref.	.	...	57	57	57	57	16	60	55
Tuckett Tobacco, com.	4	6.45	62	62	62	62	46	65	61¾
Do. pref.	7	6.86	..	...	...	...	...	105	100
Woods Mfg., com.	.	...	47	47	47	47	100	47	38
Do. pref.	7	7.95	88	88	88	88	63	90	77¾
Trust and Loan—									
Central Canada	12	5.71	..	...	...	...	...	210	210
Canada Landed (par $50)	10+1	5.78	..	...	...	...	...	100	95
Can. Permanent	12	5.79	206	206	206	208	5	208½	202½
Colonial Invest. (par $10)	6	...	..	...	...	...	...	6½	4
Hamilton Prov.	10	6.36	..	...	...	...	...	157	157
Huron & Erie	7+½	5.68	..	...	...	...	...	133	127½
Landed Banking	9	6.00	..	...	...	...	...	150	150
Montreal Loan (par $50)	12+1	6.50	..	...	...	...	...	50	50
National Trust	12	5.17	232½	232½	232½	240	20	245	235
Ont. Loan (par $50)	11	5.28	..	...	...	...	...	106	3½
Real Estate Loan	7	8.23	..	...	...	...	...	106	100½
Toronto Gen. Trusts	12	5.35	224	221	224	221	2	225	220
Tor. Mtge. (par $50)	10+1	5.55	..	...	...	...	...	100	93½
Union Trust	7	7.14	..	...	...	...	...	101	98
THE CURB MARKET									
Andes Pete.	.	...	..	...	...	...	...	6⅝	6⅝
Beacon Oil	.	...	16⅝	16	16⅝	16¾	235	19½	14¼
Brit. Amer. Oil (par $25)	10	4.95	51	50½	50½	50¾	431	53¼	47
Can. Oil, com.	1¼	...	72	70	72	70	23	75	65
Do. pref.	8	7.40	108	108	108	105	25	108	100
Continental Oil	25c	...	..	...	...	...	...	26	20
Dryden Power (no par)	.	...	8	6	8	6	1770	8	5½
East. Engineering	.	...	..	...	...	...	...	2½	1
Good. & Worts	6	2.55	235	235	235	220	80	237	198
Imperial Oil	1.00	2.53	36¾	35⅞	36¼	36	1615	38½	32½
Inter. Petroleum	75c	2.22	34¾	33⅝	34⅛	33⅞	895	35½	29¼
Manitoba Power	.	...	40	38	40	38	20	42	24
Newsprint Corp.	.	...	..	...	...	...	...	27	18
No. Star Oil, c. (par $5)	.	...	..	...	...	...	...	105	75
Do. pref.	.	...	4.85	4.85	4.85	4.75	100	4.85	4.05
Simpsons, pref.	6	6.06	..	...	...	...	...	102	99
St. Maur. Val. Corp.	.	...	44½	44½	44½	40	51	53½	40
Toronto R. S.	.	...	1.55	1.55	1.55	1.55	1050	1.55	1.10
Volcanic Oil (par $25)	62	...	..	...	...	...	...	29	26½
Attendu Eng.	.	...	39⅝	36	39⅝	37	5247	43	7
Can. North., com.	.	...	29	29	29	29	103	30	26
Do. pref.	.	...	..	...	...	...	...	94½	94½
Eng. Elec., com. (no par)	.	...	15½	15½	15½	15	5	24½	15
Do. pref.	.	...	70⅜	70⅜	70⅜	68	12	72	59½
Illinois Power, pref.	.	...	98½	98½	98½	97	28	98½	96
N. S. Car	.	...	..	...	...	...	...	11	5
Paton Mfg. Co., com.	.	...	..	...	...	...	...	55	50
Do. pref.	.	...	..	...	...	...	...	98	75
Power Corp. (no par)	.	...	24	24	24	24	325	28¼	23
Pressed Metals	.	...	30¼	30¼	30¼	30	10	40	30
St. Lawrence Pr. (no par)	.	...	..	...	...	...	...	46½	36
St. Maurice Power	.	...	..	...	...	...	...	82	75
United Sec., com.	.	...	52	52	52	52	137	65	52
Do. pref.	6	5.79	104¼	103	103	104¼	2	105	103
Cockshutt, pref.	.	...	..	...	...	...	...	62	57¼



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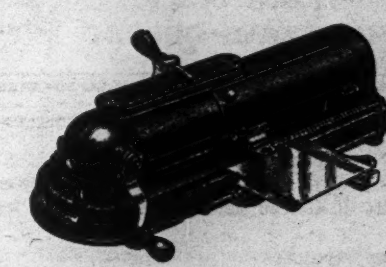

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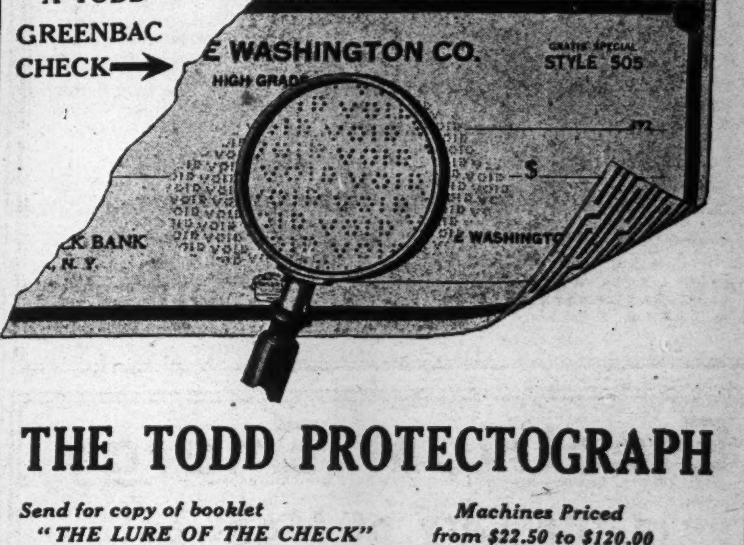

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Pulp and Paper

McCONNELL BUYS LAURENTIDE; GOOD FOR OTHERS TOO?

Financier's Action May Increase Stock's Popularity With Small Investor

From Our Own Correspondent

MONTREAL.—Many investors believe that the appointment of J. W. McConnell to the board of directors of the Laurentide Company augurs well for the future. Their line of reasoning is not hard to follow, for they say, that obviously, during the past few months Mr. McConnell has made large purchases of Laurentide's stock; and if a keen investor such as Mr. McConnell, thus shows his faith in the future of the Laurentide Company, other investors cannot be far wrong in following his example.

Thus, it may be said that there are not a few who look eventually for a considerable appreciation in the stock of Laurentide—but, at the moment, there is no indication whatever that the company is to take part in any merger or combination which would result in the shareholders receiving a good price for their holdings.

Those, who hold these views, point to Mr. McConnell's inclusion on the board of directors and believe that, as he is interested in the activities of both the International Paper Company and the Montreal Light, Heat and Power Consolidated, this action gives promise of a possible future development either in connection with the big paper company or with, possibly, the Shawinigan Water and Power, whose interests are allied with those of the Montreal "Power."

Of course, looking only at the past record of the company and the possibilities for the future, it seems fair to say that at the moment the shareholder can only look for the continuance of his present dividend—it would be more correct to say, can only look for his well-assured dividend.

During the past four years, the company's earnings on its stock have averaged 6.7 per cent. and, thus, with newsprint $5 a ton lower this year, any real increase in earnings need not be anticipated, as the present rate of disbursement is 6 per cent. per annum to the shareholders. Of course, earnings on the common stock of practically any newsprint producer are only a matter of bookkeeping and, in any consideration of Laurentide and the future, the fact must not be lost sight of that the management has always been ultra-conservative in its accounting methods, or, in other words, the income account which appears in the annual report does not indicate the strength which is being woven into its position.

Laurentide is fortunate in that it has no bonds outstanding and, therefore, has no heavy annual fixed charges to meet. By and large, it may be said that it is an investment stock—but an investment stock which has some interesting possibilities not unconnected with the company's location in the St. Maurice Valley, not unconnected with the value of its large power subsidiary, and not unconnected with either the possibility of a sale of the latter or some merger or consolidation along the St. Maurice. However, it may also be said that all this is well in the future and really only a matter for interesting speculation.

Like every other investment, the shares of Laurentide present unfavorable, as well as favorable, points to the investor. The bugbear of overproduction of newsprint may be realized—although this seems to be as far away as it was a year ago. In any event, the present price of newsprint will hold through 1926, and the demand for spot newsprint is strong at present. Of course, in the event of an over-production within the next year or so, Laurentide would undoubtedly suffer like any other newsprint producer on this continent. Again, too, Laurentide is an old company—it began its career about 1890—and, therefore, cannot be in exactly the same position as a company which has been established recently and located in the closest proximity to its limits. Offsetting these factors, however, Laurentide has some very favorable points which recommend the stock for investment purposes.

Its daily production is around 400 tons of newsprint; this is made from timber cut on its limits and also by the purchase of large quantities of pulpwood annually. Incidentally, it is understood that the company allows for depletion sufficient to cover the valuation of its timber limits every ten years—in other words, 10 per cent. annually goes to depletion account.

Adjacent to the Laurentide mill lies the plant of its subsidiary, the Laurentide Power Company. The latter serves two customers only—the parent company and the Shawinigan Water and Power. The parent company owns, it is understood, around $7,200,000 of the stock of its subsidiary, and this is carried on its balance sheet at considerably less than its market value. The subsidiary's stock capitalization is $10,500,000; it has consistently increased its earnings since its inception.

At the present time, the end of Laurentide's fiscal year is some two weeks away. It is generally understood that the earnings will be considerably more than were anticipated some months ago and that the annual report will show a satisfactory state of affairs. During the year also, the bank loan has been materially reduced—if not entirely wiped out; the 1925 report showed a bank loan of $2,315,308.

The fundamental strength of any pulp and paper company lies in its timber reserves, and George Cahoon, Jr., the president, has definitely sta-

(Continued on page 7)

Kraft Duty in Britain to Benefit Producers Here

From Our Own Correspondent.

MONTREAL.—The British House of Commons has finally passed the measure providing for a duty of 16-1/3 per cent. on all wrapping paper imported into Great Britain. Taking for granted an imperial preference of 33-1/3 per cent., the new duty should prove advantageous to the manufacturers of wrapping paper in Canada, such as Wayagamack. In the past, the manufacturers of kraft here competed on an equal basis with Scandinavian and U. S. producers and two-thirds of the kraft paper imported into Great Britain came from Sweden and Germany. Although, naturally, the imposition of these duties means an increase in Great Britain's domestic output, yet, it should mean also bettered markets for Canadian kraft there, and possibly bettered markets for Canadian sulphate pulp.

NEW BRUNSWICK PLANS GREAT PULP AND PAPER WORKS

International, Fraser and Bathurst to Expend $25,000,000 in Province

From Our Own Correspondent.

MONTREAL.—The legislature of New Brunswick has approved the development of Grand Falls, Saint John River. This is a large contributing factor to the projected further increased pulp and paper developments in that province. Some 50,000 h.p. of power will be developed by the Saint John River Power Company, a subsidiary of the International Paper Company, at Grand Falls, N.B.; the work will begin within the next six months and, in the meantime, preliminary work is being carried out on the project. It is expected that power will be delivered before July, 1928.

Power contracts with the Saint John River Company have already been closed. The Fraser Companies have contracted for 20,000 h.p. for sixty years and the New Brunswick International Paper Company, a subsidiary of International Paper, has also contracted for a larger amount.

Projected Mill Construction

In order to use the power, the Fraser Company will proceed with the construction of a two-machine newsprint mill, to use the wood from its holdings on the Restigouche and Saint John Rivers. The mill will produce 250 tons per day of newsprint and it is expected to be in operation in 1928.

The New Brunswick subsidiary of the International Paper is also to erect a mill of the same size to utilize its share of the power, but this mill will be constructed for an ultimate daily capacity of 500 tons.

The completion of both these mills is expected to coincide with the date of the delivery of power.

Grand Falls is really one of the few large water powers in New Brunswick, and for years various political factions have been squabbling over the subject of who shall develop this source of energy.

The Bathurst Company is another New Brunswick company which is also planning further development work and it will build a storage dam and power plant on the Nepisiguit River. Work on the storage dam should commence during the present year. The effect of this storage dam will be to increase the available power of the company's present power plant and thus its output of 55 tons per day of newsprint will be increased to 110 tons.

The subsequent development of another power site at the Narrows will allow this company, if economic conditions permit, to again increase its output with two new machines of larger capacity.

To Spend $25,000,000

The combined results of the activities of these three companies in New Brunswick will mean an expenditure there of $25,000,000 in power and pulp and paper developments within the next few years—this will have a most beneficial effect upon business generally in that province.

All three companies have extensive timber holdings in New Brunswick and in those sections of the province of Quebec adjacent to the provincial border. Most of these properties have not been operated yet, except for sawmill lumber and, to a small extent, for pulpwood. The development of these tracts means that the companies will eventually be able to earn revenues on their investment in timber holdings, as against the smaller revenues which have been obtained in the past through the sale of lumber or pulpwood.

The new mills which are to be erected will probably all be located on tidewater, thus these companies will have an advantage over those not so fortunately situated. Paper will be exported by ship; supplies of coal, sulphur, and other equipment will be brought to the mills by water. It is thought probable that the new Fraser mill will be operated adjacent to the company's existing saw mills.

BROMPTON LETS CONTRACT

MONTREAL. — The Brompton Pulp and Paper Co. has let the contract for the erection of the steel work of its new newsprint mill at Bromptonville, P. Q. The MacKinnon Steel Co., of Sherbrooke, P. Q., has been awarded the contract which is said to be approximately $100,000.

TO ENLARGE ST. BONIFACE MILL

WINNIPEG.—Original plans for the pulp and paper mill at St. Boniface are being enlarged, and the plant will be made one of the largest of its kind in the Dominion, according to information received in the city. The mill will be located on the banks of the Seine River. Eastern United States capitalists are at the back of the enterprise. It is understood that S. Weiner is retiring from the board of management.

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FRASER COMPANIES IN DEAL

MONTREAL.—Officers of the International Paper and the Fraser Companies foregathered this week in Campbellton, N.B., to discuss the question of pulp mill sites on the Restigouche River. Some time ago, the Fraser Companies acquired control of the only suitable pulp mill sites in that locality. Thus it is expected that the International will purchase one of the sites from the Fraser Companies. This may indicate that within the next two years the city of Campbellton will have two paper mills.

Public Utilities

EAST KOOTENAY POWER REPORTS IMPROVED YEAR

Company Increasing Capitalization for Extensions

From Our Own Correspondent.

MONTREAL.—An increase of some 15 per cent. in the total revenues of the East Kootenay Power Company is seen in the annual report covering the year ending March 31, 1926. The net profits, after fixed and all other prior charges, amounted to $53,278, an increase of some $13,000 over the previous year's earnings. The net profits were just sufficient to meet the company's preferred dividend requirements.

In addition to the improved gross earnings, the balance sheet reveals a decided betterment in the liquid position which provides a working capital as compared with a deficit of working capital at the close of the preceding year. In the balance sheet, cash is shown at $99,036 as compared with $3,581 last year. Accounts receivable, supplies and property accounts all show increases.

Amongst the liabilities, serial notes to the extent of $250,000 make their appearance for the first time and the bank loan which last year amounted to $104,195 has been eliminated. Accounts payable shows a material reduction.

Income Accounts Compared

The income and working capital figures over the last two years compare as follows:

	Year ending March 31, 1926	1925
Power sales	$377,236	$322,422
Misc. revenue	572	....
Total rev.	$377,808	$322,422
Deduct—		
Oper. exp., etc.	$ 82,968	$ 45,761
Taxes, rentals	12,042	9,205
xOrganization, exp., etc.	5,400	2,900
Depreciation	45,000	66,000
Bond interest	160,659	143,624
Other interest	13,459	9,616
Income tax prov.	5,000	4,700
Net profits	$ 53,278	$ 40,615
Pfd. dividend	52,500	34,625
Surplus for year	$ 778	$ 5,990
Prior surplus	7,611	1,621
Total surplus	8,389	7,611

xProportion written off.

Working Capital

	1926	1925
Curr. assets	$140,219	$ 35,420
Curr. liabilities	121,945	226,640
Net work. cap.	$ 18,274	q$191,220

qExcess of current liabilities over current assets.

In his remarks to the shareholders, A. J. Nesbitt, the president says in part as follows:

"In accordance with the deed of trust securing your company's first mortgage bond issue, there were redeemed during the year $19,000,000 par value of bonds.

"Conditions in the metal mining industry, from which your company derives a substantial portion of its revenue, were eminently satisfactory during the year. On the other hand, the coal mining industry was far from normal although labor conditions affecting this industry were more satisfactory. The outlook of your company's coal mining customers is gradually improving."

To Increase Capital

At the annual general meeting of the company on June 28, the stockholders will be asked to pass a by-law increasing the capital stock from $750,000 par value, 7 per cent., cumulative, preferred stock and 30,000 shares of common stock of no par value, to $5,000,000 par value of preferred stock, and 50,000 shares of no par common stock.

The directors of the company deem this step necessary in order that the financial structure will allow the issuance of new securities to finance further capital expenditures.

After a study of the most economical way of providing additional power to take care of the immediate demand upon the company's output, the directors have decided to authorize the immediate construction of an auxiliary steam plant of 5,000 k.w. capacity at a cost of some $750,000. A letter to the shareholders advising them of these two steps states that it is anticipated that sufficient additional loads will be obtained during the coming year to justify this expenditure.

QUEBEC SOUTHERN EXPANDS

MONTREAL.—The towns of Huberdeau and Arundel have recently granted franchises to the Laurentian Hydro Electric, a subsidiary of the Quebec Southern Power Corporation. Thus, the parent corporation taps a new district which is becoming increasingly important as a resort for Montrealers both in summer and winter. The completion of a new Canadian National line has shortened materially the distance between these towns and the city of Montreal.

BARCELONA TRACTION ADVANCES

On the favorable showing made in the annual report Barcelona common has advanced in price to 29. This is about the figure at which it opened the year with a low of 26½ in March.

Brazilian Traction Being Heavily Bought in Montreal

Following its steady upward movement from 86 early in May to 99, Brazilian Traction has been somewhat easier. Trading has continued in such volume as to indicate its sustained popularity with the investing element. Montreal buying has been a big factor in the market in recent months. Talk that Brazilian will sooner or later "be owned" in Montreal must be regarded as street gossip but if the recent buying continues such a situation would not be beyond the realm of possibility.

Statements regarding the position and outlook of the company by President Sir Alexander Mackenzie, who has been in Toronto recently, have rather discouraged the idea of an early advance in the dividend rate. On the other hand everything Sir Alexander has said reflects the strong position of the company and the prospects for higher returns for those who are willing to put their faith in the company's future. He has made it plain that the policy of the directors will be to permit the shareholders to have a larger share in the company's profits when conditions warrant.

MONTREAL WATER AND POWER CO. REVENUE HIGHER

Increased Gross and Larger Increased Net Earnings in Year

From Our Own Correspondent.

MONTREAL.—The annual report of the Montreal Water and Power Company for the year ending April 30, 1926, shows a decided increase in gross, operating and net profits. It is interesting to note that in the income accounts, that whilst the increase in the gross amounted to around $57,000, the increase in the net applicable to the preferred and common dividend requirements amounted to some $89,000. After payment of the increased common dividend this year, the company was able also to increase the balance to be transferred to profit and loss account.

The balance sheet reveals a strong financial position—a position which has even been bettered during the year. Current assets of $687,954, as opposed to current liabilities of $462,695 leave the company in a comfortable working capital position. The reserve, surplus, and undivided profits now total well over $4,000,000.

The income over the past two years compares as follows:

	1926	1925
Gross	$1,300,029	$1,242,799
Oper. exp.	458,546	450,536
Oper. profit	841,483	792,263
Interest	238,744	242,486
Bond S. F.	56,432	57,147
Reserves	244,690	282,036
	301,617	201,594
Pref Divds	35,000	35,000
Com.	78,400	42,000
Balance	188,217	133,594
Less P. & L. bal.	658,236	746,617
	846,453	880,211
Writ. off franchises	....	221,975
Carried fwd.	846,453	658,236

In his remarks to the shareholders, Edwin Hanson, the president, says in part as follows:

During the year the installation of the new steel supply main has been actively prosecuted, and should be completed before the close of the ensuing fiscal year. The new building on the Westmount property has been erected, and the distribution system has been considerably extended. All this work has entailed considerable expenditure, but a glance at the statement will show that the company continues to maintain a strong cash liquid position, while capital liabilities have been reduced.

WINNIPEG STOCK EXCHANGE'S

WINNIPEG.—Peter Lowe, secretary and general manager of Alloway and Champion, was re-elected president of the Winnipeg stock exchange at the annual meeting. S. M. Cottam, of Oldfield, Kirby & Gardner, was elected vice-president, and J. McDonald, of W. F. Alderson & Co., was elected honorary secretary for the fifth year in succession. The committee of management was elected as follows: Harry Ford, of Osler, Hammond & Nanton; A. H. Williamson, of Wood, Gundy & Co., and D. L. Rossini, of the Bond and Debenture Corporation of Canada.

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Pulp and Paper

McCONNELL BUYS LAURENTIDE; GOOD FOR OTHERS, TOO?

(Continued from page 6)

ted that the directors feel that the reserves now stand at an amount, without wood from other sources, sufficient to supply the mills at their present capacity for some forty years.

Laurentide's last annual statement shows current asets of $6,158,585 and current liabilities at $3,904,784. This leaves a working capital of $2,253,801. But to this working capital it is quite proper to add investments of $5,258,552, which almost entirely represent the company's holdings of the shares of the Laurentide Power. Thus, the company, with a total capitalization of $28,800,000, has a working capital of over $7,000,000.

That the investment holdings carried at $5,258,551 on the balance sheet are liquid seems fairly obvious, for there is little doubt that, if necessary, the power subsidiary could be sold tomorrow. Indeed, various estimates have been made of the amount which Laurentide would receive in the event of a sale of the subsidiary. It has even been said in print that Laurentide could realize in cash $9,800,000 for its stock in the Laurentide Power Company.

In order to meet the lower price of newsprint during the present year, it is known that the management has endeavored to cut costs in every way. It is known, too, that these efforts have been successful, but just how successful they have been, will be revealed when the annual statement makes its appearance this summer.

Eventually, Laurentide may or may not figure in a deal which will benefit the shareholders—but, even if it does not, the stock looks good for a long hold, provided there is no real slump in the newsprint situation generally.

The general opinion as to the future of newsprint itself seems inclined to the belief that, should over-production occur, it will not mean further price cuts, but rather a general slowing up of the mills resulting in a curtailment of profits, rather than in actual losses such as would arise in the event of a price war.

Statistics and financial records are of little interest, perhaps because they cannot, and never will, answer questions about a company's future. And the financial records of Laurentide are just as uninteresting as any other company's. However, there are one or two points which stand out prominently in this concern's past which are of interest. Perhaps the first is the fact that Laurentide has not, during the past four years, been in the habit of earning its dividend by a wide margin—but it is significant that the margin was quite wide enough to earn the 6 per cent. dividend during the fiscal year ending 1922, the year following the great business recession when many companies passed into oblivion and the demand for newsprint was curtailed.

During the last five years also, the company has taken from its income almost $4,500,000 for depreciation and depletion. This figure does not show up in its balance sheet, except perhaps, amongst fixed assets which now stand at $23,893,752, being a decline of $1,179,849 from the figure of five years ago. The answer lies, of course, in the various ways in which the company has reinvested these sums. Some has gone into its reforestation program and all of it must have been expended in some form which will ultimately bring a return to the shareholders.

Gatineau Project to be Financed in New York

NEW YORK.—The Gatineau Power Co., a subsidiary of the International Paper Co., plans to sell approximately $10,000,000 of bonds to the public here soon. Proceeds will be used to construct a 400,000 horsepower plant on the Gatineau River, according to electrical engineers. Between 230,000 and 260,000 horsepower have been sold to the Hydro-Electric Commission of Ontario at $15 a horsepower per year.

The International Paper Co., which is rapidly completing a newsprint mill in this territory which will have a daily capacity of 450 tons, has by its acquisition of the Riordon properties, obtained immense reserves of timber lands in the Gatineau watershed. These reserves, according to a paper manufacturer recently back from a survey of the industry in Canada, should enable the company to operate for a century.

Abitibi Made Seven New Production Records in May

May was a month of records in the Abitibi Paper mill. Seven being broken as follows:

No. 1. The monthly record was raised to 529.6 tons per day. It should be remarked that this is about twenty-five tons better than the mill has ever made under summer conditions.

No. 2. Weekly record was increased to 535.42 tons per day in the week ending, May 30.

No. 3. Month's record raised to 522.36 tons on May 24.

No. 4. Wednesday's record was made on May 19 and now stands at 544.87 tons.

No. 5. Thursday's record was 542.00 tons made on May 27.

No. 6. A new record was made on No. 4 machine at 65.83 tons made on May 28.

No. 7. No. 5 machine boosted its record to 70.36 tons on May 25.

ST. ANNE CHANGES NAME

QUEBEC.—Letters patent have just been issued authorizing the change in the name of Ste. Anne Paper Company to that of the Mistassini Power and Paper Company, Limited, and also an increase in capitalization from $3,000,000 to $4,000,000.

E. A. Wallberg, the president of the company, declares that the mill now under construction will cost $8,000,000 and when completed will produce 200 tons of newsprint daily at its initial output. Construction work will be finished, it is stated, in time for production to begin in the fall of 1927.

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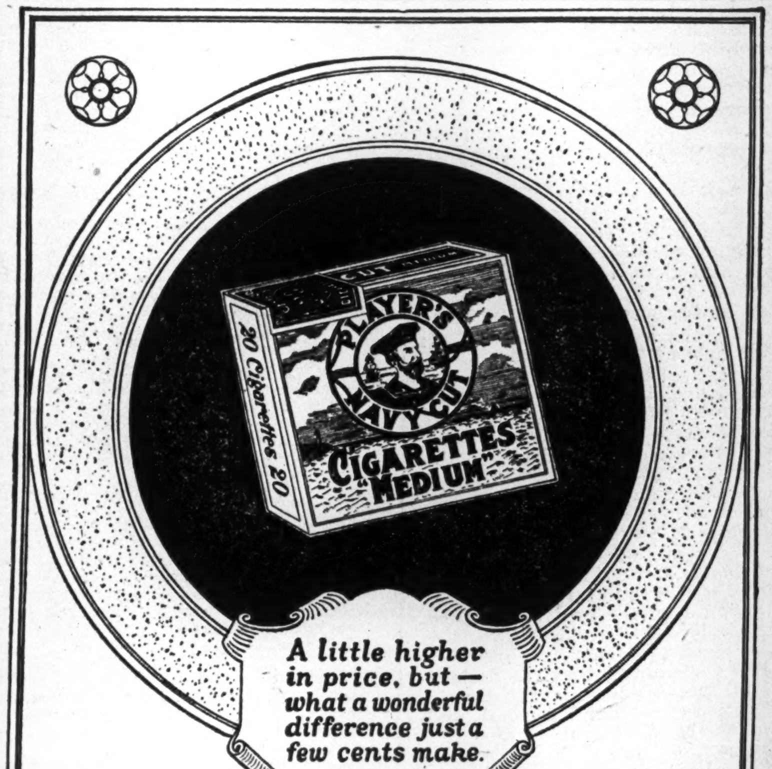

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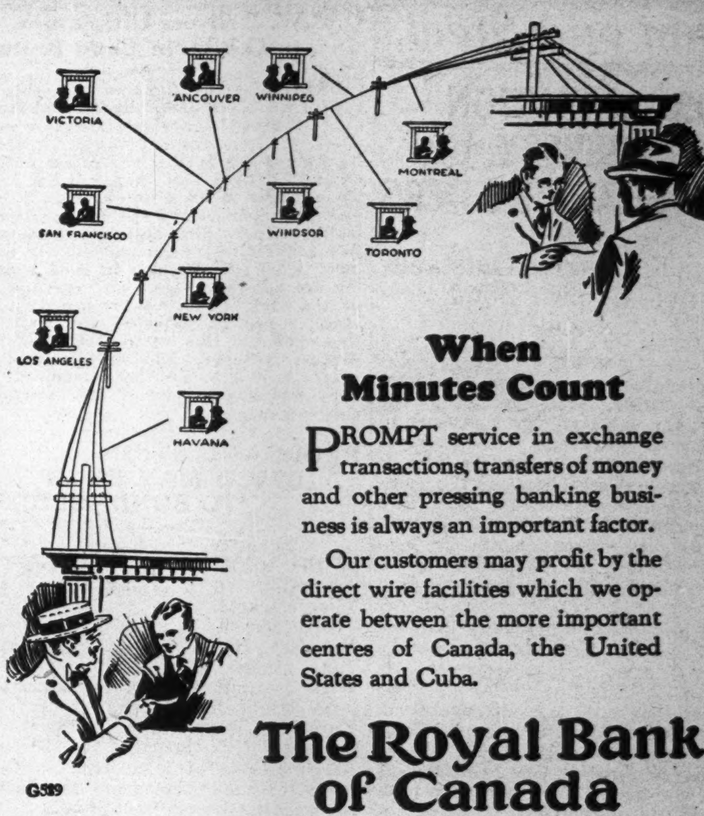
20 FOR 35¢



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HENRY S. DUNCAN, Proprietor

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Iron and Steel

REORGANIZATION PAGE-HERSEY UP TO SHAREHOLDERS

Offers For Shares Outstanding—A new Bond Issue

Financial reorganization of Page-Hersey Tubes, Ltd., including the sale of the assets of the company to Wellington Finance Corporation, Ltd., for $5,693,800, is to be considered by the shareholders of the company at a meeting on June 25th. The arrangement, if carried out, will provide for the purchase of the outstanding stock at favorable terms either in cash or in cash and common stock.

The new plan of financing involves a bond issue of $2,000,000 6 per cent., 20 year first mortgage certificates, an issue of $3,000,000 of 7 per cent cumulative, convertible, preference stock and 175,000 shares of no par common stock, of which 60,000 shares will be retained in the treasury of the new company for conversion purposes if and as required.

The deal to be considered includes two proposals for the present shareholders of Page-Hersey Tubes: "A", $125 cash for each share of stock, common or preferred; and "B", an offer from Wellington Finance Corporation of $100 for each preferred share with two no-par common shares in the new company and $105 for each common share with two common shares of the new issue. The $5.00 difference between preferred and common equalizes the dividend payment.

Recent sales of the company's common shares have been around 160 to 165.

The $2,000,000 bond issue will be subject to purchase and cancellation by the new company at $105, and accrued interest, at any time on any interest date for sinking fund purposes, or the whole issue may be retired at any time at the above price.

Holders of the new convertible preference stock will have an exchange privilege expiring Jan. 1, 1934, entitling the holder thereof to exchange each share of fully paid preference stock in the new company for two shares of nonpar common stock, subject to such conversion privilege preference shares may be redemmed by the new company at $110 a share, plus the amount of any accrued and unpaid interest on ninety days' written notice of its intention so to do.

An opportunity will be given to shareholders of the old company to subscribe the new bonds at $96.50, and new preference shares at $96.50. For this purpose the underwriters have agreed to set aside $150,000 par value of bonds and $600,000 par value of preference stock. In the event of applications being received in excess of the amounts available, shareholders will receive a pro rata allotment. The opportunity to subscribe expires on June 25th when the whole proposal is considered.

Page-Hersey Tubes, Ltd., was incorporated with federal charter in July, 1920, successor to Page-Hersey Iron, Tube and Lead Co., which was incorporated in 1906 in Ontario as successor to a company with similar name organized in 1902. It manufactures black and galvanized wrought iron and steel pipe, oil and gas casings, etc.

Capital Stock — Authorized, 60,000 shares common of no par value and $4,000,000 7 per cent. preferred, par $100; outstanding, 27,560 shares common and $2,800,000 preferred.

Officers: W. W. Near, pres. and managing director; H. C. Scholfield, senior vice-pres.; D. H. Friedman, junior vice-pres.; Harry Rooke, sec.-treas.; W. P. Bayley, asst. sec.-treas.

Directors: W. W. Near; D. H. Friedman; David Muhlfelder; C. L. Dunbar; H. C. Scholfield; A. W. Holmested; Sir H. M. Pellatt.

Ontario Steel Likely to Again Pay a Bonus

The latest announcement in connection with the automobile tariff and the removal of the excise tax from all cars of at least 40 per cent. Canadian manufacture and of less than $1,200 in value, had a favorable effect on the outlook for Ontario Steel Products and this has been reflected in the market for the common stock which has recovered about 14 points from the low of the slump which followed the first budget announcement. The future of the motor industry is now much brighter than it was a few weeks ago and the opinion is expressed that there will not only be advantages in the assembling of cars of the cheaper class, but that eventually a larger proportion of cars may be manufactured in this country. This situation strengthens the position of manufacturers of parts, including such concerns as Ontario Steel.

Accompanying the better news regarding the tariff on automobiles is talk of a bonus for holders of Ontario Steel Products common. It is stated that the directors are likely to declare special distribution this year at the usual rate of 1 per cent. and some are even looking for something better. In August 1925, an extra 1 per cent. was paid.

McKinnon Industries Has Improved Prospects Now

With the favorable news from Ottawa in regard to changes in the budget tariff and taxation program affecting the automobile industry, there was a sharp recovery in the market for shares of the McKinnon Industries. The company manufactures among its various products a number of lines entering into the manufacture of automobiles. The latest developments at Ottawa have cleared up the outlook for the company to a large extent and a good showing for the year is now anticipated.

When McKinnon securities were listed in March the common stock sold around 25, but with the announcement of tariff changes there was a sharp decline and sales as low as 15 were recorded. Early this week under the influence of the better news the common sold up to 23.

U.M.W. Delivers Ultimatum to O.B.U. in Cape Breton

HALIFAX.—The fight to oust the O. B. U. from Nova Scotia has spread from Cape Breton to Springhill, where the U. M. W. men who constitute a majority of the workers have served notice on the company that they will not continue longer to work side by side in the pits with members of the outlaw organization. Their ultimatum is equivalent to a request to the company to see that none but U. M. W. men in good standing are allowed to work underground or on the surface. It was the intention to stage a protest strike at the first of this week, but this was postponed at the request of Superintendent Nicholson, so that Glace Bay can be communicated with and the policy of the company determined.

REORGANIZATION BESCO MAY BE UP TO BONDHOLDERS

(Continued from page 1)

of the world as New Zealand and Australia, but is losing out in the home markets.

The reason is given by General Manager H. J. Kelley, who says: "The reason for the slump in rod work is that Canada is importing large quantities of cheap rods from Europe. Depreciated currency is throwing this business to France, Belgium, and of late, even to Germany. Competition from the latter is becoming keener monthly."

The outlook for the Cape Breton coal industry continues to brighten. On a recent day, between 7 a.m. and midnight, 11 steamers were loaded with 26,850 tons of coal, a record shipment for Sydney piers. Owing to the British strike, Atlantic steamers of all descriptions are flocking to this port for bunker which they would ordinarily take at United Kingdom ports.

Mines are working day and night. long coal trains roll in an unending procession over the Sydney & Louisburg from the mines to Sydney, and the road of car-loads of black diamonds dropping from a height of 50 feet into resounding steel hulls goes on continuously throughout the entire 24 hours.

Local authorities think that all that is needed now to insure full winter as well as summer operation is the passage by parliament of a measure to encourage the establishment of coking plants at various points in Upper Canada. Such legislation is expected before the end of the present session.

Strength of Attendu Stock is Perhaps Premature

MONTREAL.—There has been a revival of interest in the shares of Attendu Engines and the stock market prices have strengthened accordingly. Executives of the company have been in Detroit, where they have been negotiating with the Packard Motor Car interests. It is felt that the possibility of a deal with the latter may have given the fresh impetus to the stock.

In the meantime, the United States Senate is expected to pass this week the Navy appropriation bill, which involves an expenditure for the development of engines incorporating the Attendu principle for use in dirigibles. It has been rumored also that the president of the Attendu Engines is to enter into negotiations with the General Motors Corporation. Based on the actual developments of this company which have been made known to the public, it is sometimes thought that the strength in the shares may be somewhat premature.

Wabana Mines Are Essential to Besco

Corporation in Reorganization to Make Effort to Retain Mines?

From Our Own Correspondent.

MONTREAL.—Will Besco relinquish a great portion of its equity in the rich iron mines in Newfoundland for some $134,000? Or to be explicit, will the corporation for this paltry sum allow the Dominion Iron and Steel Company to pass into the hands of the bondholders? This amount of interest on the first mortgage bonds of the subsidiary company falls due next July. The corporation in the meantime has indicated that the interest payment will not be met; eventually this can mean but one thing, namely that if the interest stays in arrears, the property of the Dominion Iron and Steel Company will pass into the hands of new owners, namely, the bondholders.

In one sense this would not harass the corporation, for this subsidiary has not been a money maker. But at the same time, it owns about three-quarters of the Besco's iron ore holdings in Newfoundland. And even if these mines are earning but little at the moment, nevertheless they are in reality a vast storehouse of treasure on which practically all the steel interests in the world have their eyes. Indeed the mines may have been earning money—they probably have—and it may have been the steel end of the business which has placed Dominion Iron in its sorry plight. In any event, the Wabana mines are of great importance looked at from a world and from an imperial point of view, and it is of importance that the ownership of the property should not pass into foreign hands.

Now it does not seem reasonable that Besco, for a mere $134,000 in interest, is going to allow these mines to pass into other hands for they have long been regarded as the chief asset of the corporation. What then is the answer to the decision of allowing the interest to fall into arrears? The solution seems to lie in the plan of reorganization which the Besco management will shortly submit to the holders of its many securities.

At the present time, the reorganization plan is being worked out; it is understood that the views of all the larger holders of the various outstanding securities are being obtained with a view to arriving at a solution which will be acceptable to all. This plan will be announced probably within the next five or six weeks. And if Besco can possibly come to an agreement which will allow it to retain its complete equity in the Newfoundland properties the Dominion Iron and Steel properties will not pass into the hands of the bondholders.

This then seems to be one of the difficulties which beset any effort to arrive at a plan of reorganization for the parent company; those who know the situation say that without its supply of raw material, the corporation would amount to little—or in brief, it appears that Besco must retain the iron properties at all costs—only the shareholders must not forget that the cost may be high—perhaps it will prove too high for some of them.

CARON BROS. SELLS U. S. RIGHTS

MONTREAL.—The president of Caron Brothers has publicly confirmed the announcement of a sale of the Caron engine patents in the U. S. to a company which is to be known as Caron-du Pont Incorporated.

This sale involves the patents for the United States only, and all rights for other foreign countries are still held by the parent company which, in exchange for the sale of the U. S. rights, will receive $1,000,000 of senior securities in the American company or cash plus thirty per cent. of the common stock in the U. S. company.

Rumors Rife About Asbestos Surplus Stocks Sold in States?

One Manufacturing Company Understood Not to be Co-operating With Merger Company to Fullest Extent — Resulting Competition Said Not to be of a Keen Variety

From Our Own Correspondent.

MONTREAL.—In a letter to the shareholders of the Asbestos Corporation, President W. G. Ross points out that the sales in the U. S. have been disappointing, due to existing old contracts and also to the fact that manufacturing companies there have accumulated considerable material. On the other hand, says the letter, the European situation is promising and an increased demand is in evidence and should continue as affairs there become more settled

In a measure then, the letter bears out rumors which indicate that the corporation is meeting with bothersome competition from one of the other producing companies in the province of Quebec. At the time the merger was consummated, it was understood that competing companies, which are all manufacturing, as well as mining concerns, would operate in the most complete harmony with the corporation. The present letter from the president may indicate that these rumors have a foundation of truth.

The letter to the shareholders also points out that the stock certificates and general mortgage bonds of the company will be ready for distribution on July 2 and that the interim certificates may be exchanged on that date with the company's transfer agent.

Current rumor has it that the corporation's earnings during the first quarter of its first year did not come up to expectations. Furthermore, it is beginning to be whispered that one of the companies, which mines asbestos here and manufactures the product in the States, is not working as harmoniously with the corporation as was anticipated at the time of the merger.

In a nutshell, the story is this. Last year, there were two groups of operators in the Quebec asbestos fields. The first was composed of mining companies which sold the raw material to the manufacturers; the second group was composed of three companies which mined the asbestos in Canada and manufactured it in the States.

At the time of the formation of the merger, all the mining companies were merged in the new Asbestos Corporation, whilst it was generally understood that the three companies which manufactured, as well as mined asbestos, would turn their surplus into the corporation for sale. This meant that the price cutting, which has harassed the industry for many years, would be discontinued and all the operators allowed to earn a fair living.

But now it is whispered that one firm has been entering into direct competition with the corporation by the sale of asbestos in the States. It is said also that this firm saw that the Sherman anti-trust act in the United States prevents their combining with the Asbestos Corporation for the sale of their surplus production.

The Financial Post has endeavored to obtain an official confirmation or denial of these stories from those closely interested in the affairs of the corporation, but it has been impossible to obtain any such denial or confirmation of the rumors.

Regular 7 Per Cent. Dividends?

In the meantime, the directors of the Asbestos Corporation have inaugurated the first quarterly payment of the dividend on the preferred shares. Incidentally, the dividend on this stock is not cumulative. It has been generally presumed that the declaration of this dividend marks the inauguration of regular 7 per cent. dividends on the stock—but whether it is significant or not, it is to be noted that the board of directors did not indicate whether or not these disbursements would be continued each quarter.

The Asbestos Corporation has closed down the Consolidated Asbestos mill; this is probably because it was a high cost producer, rather than because of any falling off in the demand for asbestos. The corporation's King's mill, whose capacity was doubled last autumn, should be able to take care of the output formerly produced by the Consolidated mill. This probably could be accomplished at lower cost, as the new mill has proven very economical in operation.

Offsetting somewhat the rumors which indicate that the corporation is meeting with somewhat keener competition than was anticipated, some investors say that the new company is still filling many contracts which were entered into before the merger was consummated; thus, its income account has not felt to the full the benefit of the consolidation as yet.

Even presupposing that the rumors indicating that the corporation is feeling competition to be correct, there seems little reason to doubt the prosperity of the undertaking and, although its general mortgage bonds at present give a yield to the investor of 7.25 per cent., yet this yield hardly gives a true representation of the value and earning power back of the bonds. The assets applicable to these bonds are valued at over $20,000,000, whereas there are only $4,800,000 of the bonds outstanding.

Probably the real reason why the bonds are selling low lies in the fact that, at the time of the merger, the new Asbestos Corporation, in payment for both properties and services of one kind and another, distributed blocks of its securities. In some instances, some of these blocks have come on the market, or will do so. Thus, the liquidation of some of the old component companies probably has in part been responsible for the depressed price of the securities of the new company.

At the beginning of the year, many were the optimistic forecasts which were made on the future of the corporation. The optimism of these forecasts may not have been justified during the first few months of the new corporation's operations, but a period of four months hardly provides a just test for any management and, even admitting that "Asbestos" has not yet lived up to expectations, there seems little doubt as to its ultimate future, for it occupies a strategic position in the world's asbestos industry and will eventually, no doubt, arrive at a satisfactory understanding with its competitors.

Put Your Money to Work at 7½%

Consider the excellence of investing in the 7½% Preferred Shares of Muirhead's Cafeterias Limited.

Muirhead's Cafeterias are the outstanding success in the Cafeteria business in Canada. The earnings of the Company show a progressive and substantial increase each quarter. The business is particularly profitable. It has no bad debts. Everything is sold for cash, and it gets the full profit on everything it sells because, on account of its strong financial position and large purchasing power, it is able to buy direct from almost every manufacturer or wholesaler whose foodstuffs it uses.

One of the purposes of the present financing is to put a new restaurant on Adelaide Street which will be the largest and most up-to-date cafeteria in the Dominion of Canada.

In addition to the 7½% on the Preferred Shares, substantial earnings are being made upon the Common Shares, which are now given as a bonus to Preferred Share buyers (one Common Share with every ten Preferred Shares).

Present earnings are over $70,000 per year, and when the new restaurant is open they should run well over $90,000 a year or at the rate of 25% upon the Preferred Share capital. This will leave a liberal margin for dividends upon the Common Stock.

We went very fully into the affairs of Muirhead's Cafeterias before purchasing these securities. We found the business to be in an excellent financial position. It should maintain dividends upon its Preferred Shares at all times, and we anticipate that even greater dividends will be paid eventually upon the Common Stock. In this event, the privilege of converting the Preferred into Common will be very valuable.

If you have money to invest, we recommend these Shares to you with every degree of confidence. Price $10 per share, carrying one share of Common Stock as a bonus with every ten Preferred Shares.

Write for a prospectus, or, better still, send in your order now for as many shares as you require.

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For the Month of Brides and Roses

Canadian Homes and Gardens

Points the Way

The Bride! All Greet Her!

The Bride and Her Home

Here is an article that will be welcomed with open arms by the bride standing on the threshold of her first home — that place of dreams and plans. Where shall she begin? What shall her method be in keeping it perfection? What are the tenets of good judgment and taste by which she must guide herself in developing a home not for her satisfaction only this year or next, but as a basis for the accumulated happiness of a lifetime? Those are the questions answered by a well-known interior decorator who has made a study of brides and the special problems of the first home.

Of Brides, Grooms and Gardens

Of no less importance than that first home, is that first garden. This article is written for the "couple of great ambition but limited experience"—and furnishes a firm foundation upon which the garden of the present and the garden of the future may be laid.

Occasionals for the Bride

A "duet stool," a little table-high screen, a pair of wall sconces—it is such touches as those that lend personality to the new home from the beginning. A page of interesting suggestions in photographs and intriguing descriptions, give an idea of the vast possibilities of choice.

Tables for the June Wedding

An original—a beautiful—a memorable table—that is the pride of every wedding, whether it be the formal reception or the simple breakfast for close friends. A choice of such arrangements is given in a series of charming settings especially prepared for **Canadian Homes & Gardens** by Canada's outstanding authority on entertainment in the home.

The Rose! Is Here Again

The cover of the June issue of **Canadian Homes & Gardens** is one with a story. It represents, in all their delicacy of color and velvety beauty, three Madame Butterfly Roses. In the centre, blooms one perfect full-blown flower, complete at its height of beauty. It is symbolic of the many hundreds of such roses which have been brought to maturity by the loving hand of their grower, one of Canada's foremost industrialists. Mr. Henry Bertram, of Dundas, Ontario, through a life of consistent application to the demands of commerce, has yet found time to personally develop a Rose garden famous the country over. Other photographs of Mr. Bertram's Roses are shown in the article next mentioned.

Luscious June Days Usher in the Rose Pageant

Inspiration and advice in Rose culture are the twin themes of this article, presenting practical appreciation of the Queen of Flowers. Strikingly living photographic studies of the newest and most spectacular types of Roses now being grown in Canada are shown, with vivid descriptions of coloring and the part they may play in the modern garden.

A Little Summary of Rose Culture

Just the fundamental things you will want to remember about cultivating Roses—the kind of soil, the placement, what to do for insect pests—in short a source of information to which you can turn in any Rose development or emergency and be sure of reliable advice.

Garden Lovers' Guide and Notes From the Mild Pacific

This department has recently been enlarged to include not only timely garden notes for the entire eastern and central Canada, but the climate of the west coast as well. Here you will also find some interesting suggestions for Rose culture, as well as every other branch of Canadian gardening.

Budgeting the First Apartment

A bride tells how she did it—how with a clever purchase here, a thought for the larger house to follow some day there, and a great deal of good common sense, she charmingly furnished her apartment on .... but you had better wait and get all the figures from her. They are amazing and so are the results.

and many others

IN THE WORLD OF SPORTS

A Summary of the King's Plate
The Amateur Golf Championship
Summer Life and the Power Boat
The Military Carnival
Three Pages of New Car Models

REGULAR DEPARTMENTS

Signs of the Changing Seasons
The Editorial Page Different
Would You Like to Know?
A Department of Information
Outstanding Events for the Month of June
A Forecast of all Sports, Artistic and Horticulture Events for the Current Month

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Investment History of the C. P. R.

C.P.R. in the War Period — Analysis of Assets of the Railroad as It is To-day

By RIELLE THOMSON, Eastern Editor, The Financial Post—Eighth Article.

C. P. R. came well through the war period. In 1914, although grain and soldiers had to be transported, yet the road naturally suffered with the general business stagnation which occurred at that time. However, in 1917, the demand for ammunition, war equipment and food stuffs, began to make itself felt. It was this, which in a large measure was responsible for, or rather began, the over-expansion of most industries in Canada. Manufacturers who never before had sold their products outside the confines of the Dominion were finding markets in Great Britain and, as a consequence, expanded their plants. The increased business activity, coupled with the industrial expansion and the demand for wheat overseas, naturally brought increased earnings to the road. This was continued through the remainder of the war and in the post-war boom period—that is, until the end of 1920.

Up until the end of that year, prices had been steadily mounting, production had been going up, wages and living were high; in other words, the bubble was on the point of bursting. It was only a matter of time until "the squirrel could not keep pace with the speed of his wheel." Finally, the whole thing collapsed at the end of 1920 and the next four years resulted in a great decrease in earnings from railway operation.

Road Stood the Shock

However, the road stood the shock well and always more than earned its dividends. This, in itself, is an interesting point in connection with C.P.R. as an investment, for it has safely passed through the worst recession in business which the world has ever known. Companies throughout America passed their dividends and, in many instances, went into the bondholders' hands—the same may be said of businesses throughout the world generally, but it speaks well for the management and the executive which the road has built up that during this period its earnings were always in excess of dividend requirements.

This brings us up to the beginning of the past year, which witnessed improved business both in the east and in the west, and resulted in the best period of net earnings which the railway has shown in some years.

Finances of the C. P. R.

Before dealing with the various factors which in future will affect the road and its earnings, it would be well to take up here the financial position in which the C.P.R. finds itself to-day, after some forty odd successful years of operation. From a review of the road's financial position, the investors will be better able to judge the various influences which affect either favorably or unfavorably the future growth of the company.

The first item of $649,630,834 in the assets is self-explanatory; it is simply the amount the company has invested in Canada. It will be seen that the investment in the steamship service totals $60,257,815; from this, last year net earnings amounted to $2,881,651, or approximately 4.8 per cent.

The next item among the assets is acquired securities at cost, standing at $141,322,587. This figure might really be included with the preceding asset under railway, rolling stock and lake steamers, for it represents the acquired securities of railroads like the Campbellford, Lake Ontario and Western Railway, which was entirely built by the Canadian Pacific, but, as the parent company's charter did not permit it to build this section of road, instead of amending the charter, a new company was formed for this specific purpose, and the Canadian Pacific Railway simply acquired all the securities. Many miles of line were built in this fashion.

Lands Are Mortgaged

The next asset of $57,411,086 represents deferred payments on the sales of the company's land holdings. These sales are made from time to time and are secured by a mortgage; they are mostly western lands.

Miscellaneous investments consist of various securities which are carried on the books at cost. The balance sheet shows these investments at $23,677,036, but the par value of this asset amounts to $47,769,527. These investments will be discussed separately in the next article.

The next important asset is the company's land holdings which total 6,121,727 acres and, as well as agricultural land, include natural gas and petroleum rights on 150,000 acres. The last two are included in this total at a dollar each and it is interesting to note that the revenues from the natural gas land under lease up to December 31, 1925, totalled $333,016. Again, the company owns 3,000,000 acres of coal rights on lands in Alberta; this also is included in this total at but $1.

This total on the balance sheet, of course, represents lands which are available for sale only, and does not include right of way or station grounds and other fixed assets. Of the full total carried on the books, only $2,263,601 represent lands in the Maritime and Central Provinces. The remainder is situated in Manitoba, Saskatchewan, Alberta and British Columbia.

The majority of the company's agricultural land holdings are held at $10 or $13 an acre, but in special irrigated sections a small amount is held on the books at $40 an acre.

The company's holdings of timber lands in British Columbia are carried on the books at anywhere from $1.50 to $5.00. Unsold lands in and adjoining town sites throughout the west, of course, are carried at much higher figures.

The next item, current assets, reveals the company's strong cash position and also its strong liquid position. Current assets of $67,793,886 compare with current liabilities of only $16,022,870.

C.P.R.'s liabilities will come in for early analysis.

In order to obtain the proper perspective of the road's financial position, the extent and origin of its earnings, the balance sheet will repay more than a casual and superficial glance. Here are the assets of the company, as shown in its balance sheet:

Assets, December 31, 1925

Property Investment:		
Railway, Rolling Stock Equipment and Lake and River Steamers		$ 649,630,834
Ocean and Coastal Steamships		60,257,815
Acquired Securities (Cost)		141,322,586
Advances to Controlled Properties and Insurance Premiums		13,523,064
Investments and Available Resources:		
Deferred Payments on Lands and Townsites	$57,411,086	
Provincial and Municipal Securities	792,721	
Miscellaneous Investments, Cost	23,677,035	
Assets in Lands and Properties	99,463,661	181,344,504
Working Assets:		
Material and Supplies on Hand	23,799,762	
Agents' and Conductors' Balances	3,593,343	
Net Traffic Balances	1,602,008	
Imperial, Dominion and United States Governments, Accounts due for Transportation, etc.	1,163,748	
Miscellaneous Accounts Receivable	7,697,498	
Cash in Hand	29,937,526	67,793,886
		$1,113,872,692

When selecting a Trust Company as an Executor, choose one whose fixed policy is to give

Financial Assistance

to Estates being administered by it

PAID UP CAPITAL
AND RESERVE $1,259,430.36

The Imperial Canadian Trust Co.

Executor, Administrator, Assignee, Trustee. Etc.

Head Office: Winnipeg
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LOEW'S BUFFALO THEATRES

Shareholders of Loew's Buffalo Theatres, Inc., have received a letter from the new management suggesting that a voting trust be formed "to stabilize control of the corporation and insure its efficient direction and management in the future." The Manufacturers' and Traders' Trust Company of Buffalo has consented to act as trustee, and shareholders are asked to join this voting trust by presenting stock certificates to the trust company named, properly endorsed in blank, after which new trustees' certificates will be delivered in exchange.

New President Toronto 'Change

The chief claim to fame of Avern Pardoe, new president of Toronto Stock Exchange, was his organization of the clean-up in Dominion Canners which brought to the common shareholders rights which they felt had long been denied them. The clean-up of canners was preceded by a skillful handling of a market situation whereby control of the company was purchased in the open market. So well was the buying handled that Mr. Pardoe and those whom he had rallied behind him, were well intrenched in control before many who were much concerned with the situation got any inkling of what was going on. It was perhaps a made-to-order situation for such a coup. The principal interests in Dominion Canners were holders of preferred shares. Large blocks of common shares had been sluffed on the market. Control was held by a minority of the common shares. Common shareholders for some 14 years had awaited without result for dividends. A successful coup, while taking a lot of money would certainly bring its reward, and not a great deal of risk. The completion of the Pardoe corner came just before the 1925 annual meeting and the skillful manner in which the delicate situation was handled, not only won for Mr. Pardoe the admiration of those common shareholders whose cause he had sponsored, but also those whose grip on the company he had loosened. The clean-up of Canners has long since been complete and to-day Mr. Pardoe sits as chairman of the board.

The new president of the stock exchange is by no means a veteran of finance. He is still very much a young man and started life in the paper business with a Toronto house. He jumped from the manufacturing business to the old firm of financial house, Daly Wood and Croft, as manager of their bond department, and about 1912 or 1913 he launched the firm of Avern Pardoe & Co., brokers. He has steadily built it up and to-day it stands out as one of the strong houses on the exchange. Mr. Pardoe, besides being chairman of the board of Canadian Canners, is also a director of Pressed Metals and of the North American Life.

RAILWAY EARNINGS

CANADIAN PACIFIC RAILWAY

Week end.	1926	1925	Change
June 7	$3,326,000	$2,860,000	+ $466,000

CANADIAN NATIONAL RAILWAYS

Week end.	1926	1925	Change
June 7	$5,048,860	$4,029,141	+ $1,019,719

Paper and Prosperity

OUR forests—classed by the early settlers as liabilities—have proven themselves among Canada's most valuable assets. Out of the depths of the forest has grown an enormous Canadian industry of which our pioneer forefathers never dreamed.

The Pulp and Paper industry is one of the mainstays of our national prosperity. In one year alone the value of the Canadian pulp and paper production was $223,720,000, of which $154,555,951 was exported. The demand for paper is constantly growing more insistent and it is to Canada that the world looks for its supply.

And it is upon *electricity* that this vast Canadian industry has been built. Man's ingenuity has harnessed the energy of the rushing torrents and used it in transforming the giants of Canada's forests into the marketable commodity—Paper.

By designing, building and supplying machinery and equipment of every type, needed to generate and utilize electric power for paper-mills, the Canadian General Electric Company has been privileged to contribute, in a large measure, to the success of this basic Canadian industry and to the commercial prosperity of the nation.

CANADIAN GENERAL ELECTRIC Co. Limited
HEAD OFFICE, TORONTO

CGE-126

THE FINANCIAL POST

Member Audit Bureau of Circulations.

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Vice-President—HORACE T. HUNTER.
Manager—GORDON RUTLEDGE.
Editorial Director—F. S. CHALMERS.
Editor—J. W. TYSON.

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The Financial Post's Platform for Canada

Promote national unity.
Reduce taxation; curtail public waste.
Conserve Canadian resources for Canadians.
Develop production and manufacturing to the highest point in Canada.
Settle our vacant lands.
Encourage individual initiative.
Induce and protect investment of capital in Canada.

TORONTO, JUNE 18, 1926

THREE NEW LAWS DAILY

AN AVERAGE of about three new laws come on the statute books of Canada every day of the year. The number of laws introduced in the ten parliaments of Canada last year was over 1,200. Most of them passed into law.

It is getting to be impossible for the average man to follow all the legislation that is introduced in Canada this year. It may be argued that he does not have to do this; that he need only follow the legislation of the Dominion government and of the province in which he resides. That in itself would be a heavy enough burden, but business men know that that is not enough; that they must watch the bills of the provincial legislature of every province in which they are doing business. Secretaries of trade and other associations, who read carefully every bill proposed, are put to it to keep informed on the meaning behind the sundry and numerous bills that zealous legislators would fashion into laws.

We have not reached the ridiculous limits noted in some American States, where laws are turned out by the thousand; nor have we gone to the other extreme, exemplified by Alabama, where the State assembly meets only once in four years and then pays its legislators such small wages that they do not bother to meet much longer than to shake hands and O. K. the bills.

Our yearly production of legislation is getting to be too much of a good thing.

NIAGARA PARK FINANCES

OUT of the revenues of the Victoria Niagara Park Commission for 1925 a surplus of about $100,000 will be turned over to the provincial government. For 1924 $75,000 was made available to the provincial treasury. These are the first payments which have been made to the province by the Niagara Park Commission, which for twenty-five years has received all the increasing revenues available from water rentals paid by the power developing companies at Niagara. Still larger revenues will be available if the Commission succeeds in enforcing its claims for rentals against the Hydro Electric Commission—claims based on provincial legislation but unsettled under the regime of Sir Adam Beck.

Until the policy was adopted by the present government of making surplus revenue available to swell the provincial revenues and give the taxpayers the benefit of waterpower rentals, the commission has each year financed on the basis of its income. Criticism has been offered that at times there were evidences of this as the revenues increased and improvements made and services provided which could hardly be regarded as essential. This no longer applies.

The new policy does not mean that less money is being spent at present on Niagara Park developments. In fact with the new Table Rock House, the addition to the Refectory and new driveways to take care of the night traffic which has developed since the illumination of the Falls, this year's investments are greater than revenues. But the principle has been established that capital expenditures shall be made as such and that surplus revenues shall go for the relief of provincial taxpayers. That principle The Financial Post believes to be sound.

ROOM FOR MORE TAX CUTS

TO JUDGE from early returns, the Dominion government will collect about $48,000,000 from the income tax this year. This will be a decline of only about $7,000,000 from last year. Certainly there is room for the further tax reductions that are forecast for next year. May they be more "sweeping" than the "tax reductions all along the line" that came this year.

INDUSTRIAL CAPITAL SAVED

L. W. HICKS, of Winnipeg, retiring president of the Investment Association of Canada, does well to call attention to the fact that the failure of the general strike in Britain adds to the safety of industrial capital throughout the world.

For many years, he points out, the more radical of the labor leaders throughout the world have looked forward to the day when perfect organization would make possible a one hundred per cent. response to a call for a general strike. This day arrived and the great weapon of the general strike, which was to establish labor in a dictatorship, failed utterly, despite the efficiency of the effort behind it.

As Mr. Hicks declares, the general strike must fail in any community of sane education.

Point is added to Mr. Hicks' remarks by the fact that he is a resident of Winnipeg, being a partner in the western financial house of Allan, Killan and McKay. Winnipeg saw an attempted general strike, also financed by subversive influences, and also a failure.

WHO KNOWS ABOUT THE BAY?

WHERE the expenditure would end, if Canada were to start spending money on the Hudson Bay Railway is a question that can not be answered upon the available evidence. Now it is $3,000,000 that is wanted to replace buckled rails and otherwise to repair the 332 miles already built. Next, it will be $3,153,000 to build the 92 miles of main track to Port Nelson. Then it will be $20,200,800 for harbor works at the port. Then it will be a few millions for boats; and a few millions for stations; and a few millions for dredging.

Surely Canada has had enough experience in railway building to know when to be careful. Perhaps the Hudson Bay Railway is feasible. Perhaps it would prove to be another T. and N, O. Perhaps it would help the West immensely. But we do not know these things. The evidence presented on both sides is too conflicting; too vague; too much at variance to be reconciled easily. It would be better to spend a few thousands now on the gathering of the proper kind of independent evidence than to re-open the Bay line as a further sink-hole. The Hudson Bay Railway has not been sold to the taxpayers of Canada.

INDUSTRIAL WEST NEEDED

WINNIPEG'S ambition to become the greatest industrial centre on the northern half of the continent is commendable. Winnipeg has many advantages that will speed it along the way to achieving that ambition. It has an excellent situation, tapping great and growing markets to the west, drawing from the south and east supplies for the west and north. It has abundant low cost power and diversified raw materials.

Winnipeg's future is certain to be greatest along industrial lines. Already the growth of purchasing power on the prairies, has established at least a dozen other wholesale centres and each of these has bled Winnipeg's wholesale community, making the city relatively less important in a transportation and distributive way. This loss of influence and prestige, as well as of business, will undoubtedly be offset in the future by the growth of manufacturing in Winnipeg.

As Winnipeg grows industrially, that power among Western newspapers, the Manitoba Free Press, as well as other western organizations, are going to get a closer view of some of the problems of Canadian industry. It will be a factor for good will throughout Canada when the West becomes more industrialized.

ABOUT SMALL BANKS

J. W. LEEDY, Ex-Governor and Senator of Kansas, now a resident of Edmonton, is offering himself for election to the provincial legislature as a people's candidate. Despite the fact that he has only recently moved to this country from the United States—to better his position, we presume—he proposes to enter the legislature over an election plank which calls for the uprooting of our well-established banking system. He proposes local banks "to grant credit for all classes." The existing system he blames for the fact that Canada is not a creditor nation.

Coincident with Mr. Leedy's candidature, there appeared an official statement regarding banking conditions in Kansas, the state which he recently left, and of which he was governor, which gives cause for anything but confidence in the system which he would inaugurate in Canada. Speaking recently before the bankers of Kansas in convention at Topeka, State Bank Commissioner Roy L. Bone declared that, in view of the large number of bank failures in Kansas and other agricultural states, consolidations offered the only salvation for the smaller banks. He quoted the recent survey of the Federal Reserve Bulletin, which shows that the greater percentage of the hundreds of small bank failures was in the states comprising the wheat and corn belt and the cotton states of the South.

As a matter of fact business men and farmers of Western Canada know, and Ex-Governor Leedy must know—if he knows anything about the conditions in the country which he would help to govern—that agricultural districts both West and East have escaped the crop of bank failures experienced in the agricultural states, because we have instead of small local banks dependent upon local conditions, national institutions with wide diversity of business and huge reserves. In a word Canada has avoided the financial difficulties experienced in the agricultural districts in the United States because the losses which would have been too heavy for small banks have been absorbed by the larger institutions out of profits available from other sources.

Ex-Governor Leedy, of Kansas, has chosen a bad time to launch a campaign for a new banking system in Canada.

EDITORIAL NOTES

A NEW switchboard in Montreal has 150 lines. It will probably have the same old line, "Wrong number."

* * *

PONTIAC made history in Detroit. Now a new Pontiac promises to make history for Oshawa, the Detroit of Canada.

* * *

IN ONTARIO, a blind man, touring in a motor car would know when he enters a town. That's where the pavement ends and the bumps begin.

* * *

SIR JAMES A. AIKINS wants each Canadian to be a good Boy Scout and do one good turn for Canada every day. Some Canadians, though, will have to be Girl Guides.

* * *

COOLIDGE declines to vacate the White House to allow the roof to be repaired. If he is not careful, the slogan of the Democrats in the next election will be "You're all wet."

* * *

HISTORY repeats itself. Construction of seven new large apartment houses in Toronto is making cliff dwellers of 500 more families. Toronto has grown up without growing "up." Ellis Court, St. James Court, Deer Park Manor, 200 St. Clair West, 400 Avenue Road, Bloor-St. George, and Yeadon Hall are logical steps in the city's growth.

Current Opinion

INVITING TROUBLE

Port Arthur News-Chronicle: The less the Federal Government interferes in the rights of provinces to control their internal affairs the better for the country as a whole.

OUR GOOD BANKING SYSTEM

Kingston Whig: Some 1,389 banks involving deposits of about $386,000,000 went to the wall during 1924 and 1925 in the United States. The cause, too many banks with small capital. The suspended banks averaged less than $40,000 in capital with $280,000 deposits. Bankers could not exist on the small earnings. The Canadian banking system is the peer of anything on this continent.

HAVE A KICK COMING

Labor Leader: Hamilton printers have a kick coming, and a good one at that. Some fifteen days ago, the live-wire Canadians in Hamilton held a "Produced in Canada" exhibition to boost the home market's goods. It was a big success, and much press publicity was given it. This is as it should be. If Canada is good enough to live in, the products of Canadians are good enough to have preference over the imported article.

Hamilton printers were among the multitude that visited the exhibition and gave it a big boost, but they made a discovery that was not palatable, to say the least. They found two cases where firms exhibited their goods and were advertising them with literature printed in the U. S. A. This was a big mistake, and no doubt did cause the printers to kick, and rightly, too. Somebody's foot slipped, and the time has arrived in Canadian industrial enterprise when those engaged in it should always be prepared with "anti-skid chains" to prevent slipping.

A "Produced in Canada" exhibition should be a 100 per cent. one. The printer, pressman, engraver, bookbinder or the printer's devil, residing in Canada, is just as big an asset to the Canadian nation as the president, vice-president, secretary-treasurer or the shareholders of an industrial concern.

Fifteen Years Ago

Extracts from Files of The Financial Post.

Canadian Northern plans station in North Toronto.

Berlin selling C. P. R. at new high of 240.

Dominion Bond Co. offers Spanish River Pulp and Paper Mills 6 per cent. first mortgage bonds at 98.

Dominion Securities Corporation offers Ontario bonds to yield 3.90 per cent.

Lord Furness becomes honorary president of new Richelieu and Ontario navigation merge. Rodolphe Forget chosen president.

Canada National Fire Insurance Co. starts business.

Rumor Toronto Street Railway to issue new stocks.

Few, But Notable, Are Canadian Branch Plants Across American Border

Canadian Business Men Who Have Dared to Manufacture in Mighty U.S. Market Have Achieved Outstanding Success in Their Fields

By FLOYD S. CHALMERS.

ABOUT 1,000 American manufacurers have established plants in Canada to produce goods for their Canadian customers. Very few Canadian manufacturers have established plants in the United States to look after American business.

Many hundreds of Canadian-born citizens have found success and fame in American industry and finance, and have become permanent citizens of the Republic. They have found it no hard trick to make good in the great industrial land below the borderline. But very few Canadians have attempted to carry successful Canadian enterprises across the border line, although among these few there are outstanding examples of this very thing being accomplished.

Not as Hard as it Looks

"The American market is easy to break into," said the Canadian head of a Canadian institution, which has established itself across the line. "When we decided to experiment in the United States with manufacturing and selling our lines over there, we approached the attempt with real fear and much trembling. We knew Canada and we knew how to sell in Canada. But the United States seemed different. It had fifteen times as many people. It had wealthy established companies in the same field as our own. It was a country where success involved leadership in ideas; forceful executive control and twenty-four hour wakefulness.

"We got a pleasant surprise. It was as easy to do business, we found, in the United States as in Canada. Distribution systems were better organized. Costs of getting goods to customers were lower. There were immense concentrated markets to be tapped.

"All I have to say is that the Canadian manufacturer who could find a market across the line for his product by establishing a branch plant there, and is afraid to tackle it, is scared of a shadow. It's a cinch to break into that market."

Barry Hayes' U. S. Triumph

Examples of Canadian success in American markets are not numerous, as was pointed out, but they cover a diversity of fields. Reference is made, of course, to those Canadian firms that have actually invested money in plants across the line, not merely to Canadian producers who sell Canadian made goods in the United States. These latter firms are numerous though they cover a fairly restricted field, related chiefly to the primary resources of the country, such as pulp and paper, electro-chemicals, etc.

There is the Barrymore Seamless Wiltons, Inc., at Philadelphia, a factory established in 1921 by the resourceful and able head of the Toronto Carpet Co., F. Barry Hayes, of Toronto. The Toronto Carpet Co. was giving world leadership in the adaptation of artistic Oriental and other patterns to the manufacture of Wilton rugs. Mr. Hayes merely took the same ideas and methods across the line, since the American tariff would not permit him to take the finished rugs across, and he built up a large and successful factory that is a credit to Canadian genius and constructive ability and that brings profit to a Canadian firm.

Frank O'Connor's Success

Carpets and candies are on the same page in the dictionary and they are on the same page of the story of Canadian industrial success in the American market. Even the younger citizens of Toronto remember back in 1914, when Frank P. O'Connor had one little confectionery shop on Yonge St. Now the Laura Secord stores are numbered by the dozen in Canada. But there are about twice as many of Mr. O'Connor's attractive white fronted shops in the United States as in Canada. In 1919, he opened a small factory and four stores in Rochester. Three years later, he had seven stores and he continued to add to the chain. There were 80 in the United States this spring and plans were being made to double this number and eventually to extend the chain to cover the entire United States. Over there the Laura Secord stores become the Fanny Farmer Candy Shops, but the candy is the same, although it is made in large American factories at Rochester, Minneapolis, New York and Boston.

Fanny Farmer sales in the first year were $193,000. Fanny Farmer sales in 1926 were over $2,630,000. The $50,000 capital invested in 1919 amounts to over about $800,000 in net tangible values to-day.

Wizardy of Canada Dry

The growth of Canada Dry Ginger Ale sales in the American market has been one of the merchandising wonders of the day. Canada Dry was a strictly Canadian product until a few years ago. It was manufactured by the firm of J. J. McLaughlin & Co. J. J. McLaughlin was one of the sons of the late Robert McLaughlin, the distinguished old gentleman who founded the McLaughlin Carriage Co. back about 1870. Two of his sons, Sam and George, went into the carriage business with him and in time led the concern forward along the path of industrial progress until it became the General Motors Corporation of Canada, which they head today. Another son, J. J., had a flare for chemistry and started the "pop" business that developed into a successful business institution, producing beverages of rare flavor, with the tang of the northland in them.

It was a former Canadian business man, P. D. Saylor, once an associate of Clifton H. Carlisle in the Goodyear Tire & Rubber Co., who saw, along with two or three other gentlemen, the possibilities of introducing this McLaughlin ginger ale to the dry-tongued citizens of the United States. Saylor was then in the rubber business but he saw in the marketing of Canada Dry purely a merchandising problems. To him, and to the others who went in with him, the problem was the same, whether the product was ginger ale, rubber tires or peanut tubes.

Building for a Bang

Canada Dry went across with a bang in the States, but behind that bang there were months of planning, of building up production and distribution systems, and planning the right kind of advertising. In 1922, the first Canada Dry was sold—a few thousand cases. Last year over 50,000,000 bottles were sold and profits were greater than the company's entire income in the first year it was in business four years ago. This year, sales may reach close to 100,000,000 bottles. A factory was built at Hudson, N.Y., and another is being built near Chicago. These are in addition to the Canadian plants at Toronto and Edmonton. Now the American tail wags the Canadian dog. The company is planning to sell in China, India, New Zealand, Australia and most of the South American countries.

It was a big company while it stayed in Canada. It became the largest of its kind in the world when it invaded the American market.

Not long ago Mr. Saylor said to me: "It was easy to put Canada Dry across in the United States. It was just a case of applying good business and merchandising principles and these are the same, whether in the United States or in Canada."

U.S. Know Moore's Group

There is another great Canadian business man, who made good first in Canada, then branched into the United States and remained a resident of Canada although his American interests outgrew Canadian operations. Samuel J. Moore, head of what is usually called the Moore group of companies, was a printer's devil in Canada when he first came out from England as a boy. In time, he got into the manufacture of counter-check books and started the Carter-Crume Co. to exploit a patented device in that field. He had been in business only a short time before he saw that the Canadian market was too small for his operations and he went to Niagara Falls and started a branch plant. Eventually, he organized the American Salesbook Corporation, to handle the American end of the business. Reversing the process, he brought one American industry, the F. N. Burt Co., to Canada. When he went into the manufacture of silverware he established first in the States and then in Canada. He has always remained a citizen of Toronto, although his largest interests are in the States. But the American business is all the outgrowth of the ideas and work of Mr. Moore in Canada.

A War Time Beginning

The war took several Canadian industries to the United States. It made it attractive for the Canadian Car and Foundry Company to establish an immense munitions plant in New Jersey, but that has disappeared entirely as a Canadian concern. A war-time development expanded into large scale peace time operations, when Pressed Metals of Toronto established the American Bushing Corporation at Marysville, Mich. Most important and successful of the war developments was the establishment by Page, Hersey Tubes, of Toronto, of an important plant at Cohoes, New York, in 1917. Recently, a new plant, called the Mohawk plant, has been built there, and is a large and growing unit in the Page, Hersey business and a tribute to the constructive outlook of W. W. Near, the Canadian business man, who is the head of both the Canadian and American interests of the company.

Show What Can Be Done

These outstanding examples of Canadian industrial success in the United States do not exhaust the list. The A. W. Chase Medicine Co. started in Toronto and reached out to establish a plant in Buffalo that is to-day of great importance to the company. The Fraser Company of Edmundston, N. B., has recently built a plant across the river, at Madawaska, Maine, where magazine paper is manufactured out of pulp produced in the Canadian plant. The Brompton Pulp & Paper Co. owns and operates mills at Claremont and Groveton, N.H., for similar purposes. The Loblaw Stores, started in Toronto, are rapidly building up a substantial chain in the United States.

Truly there is evidence a plenty that the Canadian business man who will embrace the continent in his market viewpoint has a wide scope for the enlargement of his activities; a fine opportunity to take advantage of American as well as Canadian prosperity.

Editor's Note.—The Financial Post would like to hear of further examples of Canadian industrial success in the United States market.

WHEN THE SENATE IS USEFUL

Toronto Globe: The House of Representatives has approved the Chicago water steal. If it fails in the Senate, a good word will have to be said for that body, after all.

J. Strathearn Hay
Member
Toronto Stock Exchange

Cochran, Hay & Co., Limited
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LONDON, E.C. 2, ENG.
Gresham House-Old Broad St.

Death of President Christie Brown & Co.

After an illness extending over a period of several months, Robert Jaffray Christie died at Toronto, early Sunday Morning, June 13. Mr. Christie was associated with the firm of Christie, Brown & Co., during his business career and on the death of his father, the late William Christie, who was one of the founders of the company, he was, in June, 1900, elected president, which position he held continuously up to the time of his death.

THE LATE R. J. CHRISTIE

The deceased was a director of the Dominion Bank and member of the Toronto Board of Trade. He was also director of the Ontario Jockey Club and held membership in the following clubs: York, Toronto, Caledon Mountain Trout, Toronto Hunt, Toronto Golf Club and Mount Royal Club, Montreal.

Shortly after the outbreak of the world war, he joined the officer's Training Corps, and the Queen's Own Rifles. With the rank of major, he took over the command of the Toronto mobilization centre, where he did excellent work throughout the war. He was also a member of the committee of the Soldier's Aid Commission from its inception until his death.

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Denominations $1,000, $500 *and Odd Amounts.*

Assessed Value for Taxation, 1925	$9,492,954.00
Total Debenture Debt	2,631,588.00
Net Debenture Debt	674,289.03

Population—12,793 Area—1,800 acres

Belleville, situated on the Bay of Quinte, is the county seat of Hastings. The City has excellent shipping and transportation facilities. It is on the main lines of two transcontinental railways—the Canadian National and Canadian Pacific. The City has direct steamship connection to all ports of the Great Lakes.

The City is important from a manufacturing standpoint. There are at present 53 establishments with a capital invested of $2,707,736, having an annual production of $2,974,020.

Financially the City of Belleville always has the reputation of being managed on a conservative basis.

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Your Investments

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

German Bank Deposits

S. L. T., Alberta.—Please accept my grateful thanks for your letter to me dealing with Brooks Steam Motors and for the warning on German bonds written by Hans Kruger and recently published by you.

Would you be kind enough to inform me how depositors in German savings banks and other institutions have been recompensed for deposits made before 1914, up to 1919, and made since 1919?

The Consul General for Germany advises us that you would be wise to file immediately an application for the revaluation of your deposits with the particular banks in Germany in which you are interested.

We enclose also a memorandum which we have obtained for you from the German Consul General and would refer you in particular to section "C" which deals with the revaluation of saving bank deposits.

For further information along these lines we would refer you to L. Kompff, in care of the German Consulate General, 698 St. Catherine St., West, Montreal.

Ames, Holden Tire

C. C. D., St. John.—What is the position of a bondholder in the Ames, Holden Tire and Rubber Co.? I bought these at 97½.

We take it that it is the first mortgage bonds of the Ames, Holden Tire and Rubber Company which you purchased at 97½. There are also some income bonds outstanding. The present market for the first mortgage bonds is anywhere between 92 and 97.

About a year ago, the name of this company was changed to the Canadian Gooderich Company. The parent American company now controls the company and it has spent a considerable amount of money on the plant since it acquired the control of the stock. The fixed assets, therefore, are shown on the balance sheet as $1,399,773, as against a total of first mortgage bonds of only $250,000.

Earnings last year, after depreciation, amounted to nearly $39,000, as compared with the interest requirement on the first mortgage bonds of $17,500. Of course, these bonds are not comparable to those of a long and well established industrial company, but, on the other hand, we should say they would be well worth holding.

Canadian Pacific

L. L. B., Montreal.—I hold some 70 shares of Canadian Pacific which I purchased at $130. Do you consider that the shares are a sale at present prices?

If there is a recession in the trend of business in Canada, the shares of the Canadian Pacific Railway will go down but, if you are a believer in the future of this country, you must also be a believer in the future of the Canadian Pacific Railway, because it might be said that both are interdependent. It seems to us, that over the next ten or fifteen years, this country will progress and if it does, there is no doubt that the earnings of the C.P.R. will increase also. In the meantime, the stock may have its ups and downs, due to such influences as a good or a bad harvest in the West. Eventually, we would say that the stock will go to higher levels.

At the moment, we are running in The Financial Post the investment story of the C.P.R.—in due course we will deal in this series with the outlook for the future.

British Empire Steel

B. L. L., Montreal.—I hold in all some 270 shares of Besco 2nd preferred and common. Please give me an opinion on these holdings.

By this time you will have heard that the Dominion Iron and Steel Company, a subsidiary of the Dominion Steel Corporation, which in turn is a subsidiary of Besco, will fall down on its bond interest payments next July. This may mean that this property will pass into the hands of the Dominion Iron and Steel bondholders. Should this occur, Besco, while not losing a money making company, yet will experience a considerable loss in view of the Dominion Iron's immense physical assets. Again, not only would Besco experience a great loss in its assets, but the consolidated mortgage bonds of the Dominion Iron would, in part, become a liability, as the Dominion Steel Corporation has guaranteed over $4,500,000 of these bonds.

On the other hand, the corporation's coal properties seem to be operating fairly satisfactorily. No doubt if the Dominion Iron passes into the hands of the bondholders, some of the earnings of Besco's constituent companies will go to meet the charges of the consolidated mortgage bonds of the Dominion Iron which have been guaranteed by the Dominion Steel Corporation.

Mr. Wolvin, the president of Besco, has stated that the management will submit to the shareholders a plan for the complete re-organization of the corporation within 60 days. As yet, no one can tell you just along what lines such a re-organization will be directed, but there is little doubt that your holdings of second preferred and common stock will be very drastically scaled down. It is even possible that the common stock might be entirely wiped out.

The one outstanding and satisfactory feature of the whole Besco debacle is the fact that the corporation has been able to keep itself in a liquid position. This makes the outlook for the future somewhat more hopeful, but we cannot tell you that we see any hope for any appreciation in the market value of your holdings. On the contrary, there is the possibility that they may move even lower.

At the present time, you have two courses open before you. You may decide to sell your holdings and take your very large loss, or, you can hold on to your shares which, at the moment, are so speculative that no one can give you any real indication of whether in the forthcoming re-organization their value will be increased or lowered. We should say, however, that there is very little chance at the moment for any appreciation in the value of your holdings. The outlook for the corporation is so very, very speculative that we are at a loss to tell you whether to sell or to hold on.

Canadian Car

G. H. L., Swift Current.—Do you believe that Canadian Car and Foundry preferred shares at $80 are a comparatively safe investment?

The preferred shares of the Canadian Car & Foundry Company are also speculative and should only be purchased by a business man. Last year, after charging depreciation, the company operated at a loss. In 1924 it earned 16.78 per cent. and in 1923 21.70 per cent. on its 7 per cent preferred shares.

We learn that since the beginning of the year, the company has experienced considerably better business than during 1925 and, with the much improved earnings by the railways, we are rather inclined to believe that, by purchasing the preferred at around 80, you stand a good chance of selling later on at considerably appreciated prices. However, you must not lose sight of the fact that this company has had, and will have, its ups and downs but, even in its bad years, it has maintained an excellent financial position. You should not lose sight of the fact though that such a purchase is a speculation.

Canada Biscuit Co.

Banker, Soo.—I have a customer who has $5,000 for investment; he has asked me about the first mortgage, 6½ per cent. bonds of the Canada Biscuit Co. I should appreciate very much your opinion on this investment.

The 6½ per cent. bonds of the Canada Biscuit Company look attractive to us, for the net earnings of the component companies, after all allowances, including depreciation, were equal last year to 3.6 times the interest requirements of this issue.

Moreover, the biscuit business is one which apparently benefits through consolidations and the formation of larger units. You will remember that this company came into being recently as the result of a merger of five long-established Canadian companies. Also, the issue is sponsored by those, who, in the past, have a record of financing successful companies.

We, of course, do not know the full extent of the financial resources of your customer, but a proportion of any business man's bond holdings might well be in these bonds.

Canadian Car Preferred

A friend residing in England is rather concerned about the future of the Canadian Car and Foundry Co. Before the war, he lost some $10,000 by investing in real estate on the prairies. However, he did not lose faith in the country and its future progress and purchased some "Car" stock at a time when the market quotations were considerably in excess of to-day. I shall greatly appreciate your opinion on the future of this company.

We presume that your friend is interested only in the preferred shares, and not the common, of the Canadian Car and Foundry Co. The car building industry in Canada is much overbuilt. In addition, it is a business which is subject to wide fluctuations, for when the railways have a good year, they go into the market for rolling stock, but, on the other hand, a bad crop in the West naturally reduces the earnings of the roads and consequently they are little interested in the purchase of equipment.

Thus, if there be a slim harvest in Canada this year, it will, no duobt, eventually be reflected in the earnings of the Canadian Car and Foundry Co. These are some of the chief factors which you must take into consideration in any study of the shares of the Canadian Car and Foundry Co.

Due to factors such as these, the company, after charging depreciation, operated with a deficit during the 1925 fiscal year. In 1924, earnings on the preferred stock amounted to 16.78 per cent. and 21.70 per cent. in 1923; in 1922 there was a deficit.

During the first eight months of the present fiscal year, we understand that the earnings have been running at figures materially in excess of 1925 and, we believe, that in view of the improved position of the railroads that further orders will be forthcoming. The stock is very speculative but in view of general business conditions we believe that it is a good speculative hold.

Offsetting the speculative element in this stock, the company has always kept itself in a strong financial position. The balance sheet reflects also, the sane, sensible and conservative accounting methods adopted by the management. Thus, it may be said that the company is equipped to meet the various ups and downs of business through which it will undoubtedly pass.

Lake of the Woods

L. H. G., Saskatchewan.—Please let me know whether or not you consider the Lake of the Woods Milling Co. common stock a good investment at say $140 a share.

We should like to be able to tell you that we consider the Lake of the Woods Milling common a good investment at 140, but the present milling situation in Canada precludes any such answer.

Within the last year or two, the Canadian millers have found that more and more foreign markets are being closed to their products. In some instances, this was accomplished by means of tariffs, and in others by certain restrictions. The shutting off of some of these markets has resulted in keener competition in other continental markets, with the result that the margin of profit has been considerably lowered.

It seems to us that the stock market has possibly discounted the company's lower earnings through these causes and, if this be so, it might prove a good purchase for a business man—but, on the other hand, you will remember that within recent weeks there were rumors in circulation indicating that the company would lower its dividend rate. In the meantime, the management has given out no information on the earnings during the present fiscal year. We believe like other milling stocks at present, that of Lake of the Woods is speculative.

Canada Northern Power

J. M., Victoria.—Kindly give me your opinion on the following investment: On Jan. 1, 1925, I bought 20 shares of the 7 per cent. preferred stock of the Canada Northern Power Corporation, at $99 with a bonus of 6 shares common stock. I would like to know if you consider the contemplated issue of $3,000,000, 6½ per cent., 15-year sinking gold bonds for the purpose of acquiring the controlling interest in the Northern Ontario Light & Power Co., detrimental to the preferred shareholders, as it will, of course, somewhat diminish the security of the preferred shareholders. Do you think the company will be able to maintain its dividend payments and is it a reasonably safe investment for a business man? I would also like to know if the common stock has any value at present and if it is quoted on the exchange and at what figure. I might add I have received an offer for the preferred of $94 without the common stock.

Issuance of $2,500,000 of bonds prior to your preferred shares in Canada Northern Power Corporation does put another security ahead of your preferred stock, but we are not of the opinion that your security has thereby been weakened. The bonds that are being issued are being sold to raise the money to acquire the properties of the Northern Ontario Light and Power Company and the Porcupine Power and Telephone Company. A large amount of additional value is put into the company—enough, no doubt more than enough—to offset the amount of new liabilities created. A vastly more satisfactory power corporation is formed, covering a wider area and carrying a more diversified load.

Allowing for the interest on the new bond issue and for dividends on the larger amount of preferred stock outstanding, the rate of earnings on the common stock per share on the basis of actual results of the various companies in 1925, it is higher than was estimated, when the preferred stock issue was first sold.

We would consider the preferred still a reasonably safe business man's investment, particularly as the common is selling around 30 in the Montreal Stock Exchange, unlisted section.

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is a sound knowledge of current commercial and industrial conditions, in relation to the financial markets which they influence.

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Swindlers Revel in New York on "Easy Money" England Provided in Buying Ford of Canada Units

Readers of The Financial Post, who read our repeated warnings against the purchase of Ford of Canada units or Bankers Shares, came off much better than did the people of England, who were evidently swindled out of huge sums. The London Daily Mail's New York correspondent tells what happened to the funds taken from the people of England. He says:

Within the last few days the share rogues, whom the Daily Mail exposures drove out of Great Britain, have foregathered again in New York.

They are all known to the American authorities, who are keeping a close watch on their activities in the expectation that they will before long seek to resume their acts of financial piracy against gullible American investors.

One of the cleverest of the rogues was observed two nights ago "spending money like a drunken sailor" in an expensive New York night club. He made no secret of the source of his abundant supplies of pelf. "I got it all," he hiccoughed, "cleaning up the mooches in London." He added with a laugh: "It was the easiest thing I ever saw."

The fortune this swindler had acquired was due, he explained, to his success in selling so-called Ford Units or Bankers' Shares to credulous English men and women. Already the authorities here have enjoined five of the concerns manipulating so-called "Ford Units" from continuing their sales. It appears that they had sold hundreds of thousands of Units, chiefly in England, without first purchasing the actual Ford shares which gave them their only value.

Their dupes may, of course, eventually recover some of their money if they can afford a voyage to New York and the expense of prosecuting the rogues. One other alternative remains open to them. If the envelopes containing the alluring offers of "Units," at a price far above the actual cost of the shares on which their value was supposed to be based, bear an American post-mark, then there is a possibility that the swindled investors may obtain redress.

At all events the Better Business Bureau of New York informs me that such envelopes with their enclosures, if forwarded to them, would furnish the evidence necessary for a prosecution under American law of the share sharks on charges of having used the mails for fraudulent purposes. This prosecution the bureau will be glad to sponsor.

The rogues who have returned from England consider themselves fortunate in one respect. No attempt was made to punish them. The vast majority of them were allowed to leave England unmolested with all their loot.

POST-Scripts

CANADIAN investors sometimes hesitate to place their funds in companies operating in central or southern America. They feel that political conditions there are decidedly unstable and believe that in the event of any political trouble their investment may be jeopardized. Naturally, this has a definite effect upon the prices of foreign securities quoted on Canadian exchanges.

But on this subject, Financial Service of Montreal makes an interesting point and says:

"The question is often asked, what is the investor in Brazilian Traction entitled to in view of the fact that a revolution may occur at any time? Revolutions and strikes are discomforting, but few people realize that the revolution in the summer of 1924 cost the Brazilian Traction Company $1,500,000, whereas the coal strike at Sydney, right in our own country, cost the British Empire Steel Corporation about $4,000,000."

TO SAY that New York City is one hundred years ahead of Florida would be to court death in its more fantastic modes. However, New York had its own real estate boom in 1825, more than a hundred years ago, when John Quincy Adams was President of the United States.

The following is quoted from a booklet published in 1826:

"Only this past year (1825) the first gas pipes have been laid along Broadway. In 1687 the town had begun to be lighted by candles stuck out in a rude manner, by poles, from every seventh house. Later oil lamps were substituted for the candles, and now the first fluted iron lamp-posts are being established on Broadway, things of beauty and a joy forever. This gas is 'made from oil and measured with a curious machine called a meter.' It is being tried as an experiment by progressive merchants and at least two of the four theaters are proud of their gas candelabra, but nobody knows yet how it is going to turn out."

HENCEFORTH—for this year at least—Portage la Prairie, Manitoba, will likely be known as the "Town of Painted Posts." says Canadian Grocer.

And the reason is this:

A few weeks ago the young men of the town organized a junior board of trade. They felt that they could do a good deal to make the town still more attractive, and that something should be done that would make people talk about it.

So each of them agreed to buy some white and black paint and paint the telephone and telegraph posts on both sides of the main street up to 12 or 15 feet from the ground. They provided not only their own paint pots, but their own brushes. Promptly, one night, on the stroke of twelve, 50 of these young men began the painting operation. At three o'clock the posts were painted, and, when the town woke up in the morning, they found long lines of painted posts on either side of the wide thoroughfare. A representative of this paper was one of those who blinked him eyes at the early morning sight.

And so the 50 young men of the board of trade inaugurated a publicity regime to tell the folks at home and in the surrounding territory about Portage la Prairie's advantages.

LAWRENCE A. WILSON, M.P. for Vaudreuil-Soulanges, always injects plenty of humor into his speeches in the House of Commons. Plenty of the stories were worked into his speech on excise taxes the other day. He told one about the prohibition town in Nevada.

One provision of the law is that no person can purchase a drop of liquor unless he has been bitten by a snake, and the certificate which he has to obtain from the medical practitioner of the town must be endorsed by the mayor and three aldermen. One day a traveler arrived at the hotel in the town and said, "I must have a drop of brandy or I will die." The hotel man said: "You cannot get any liquor in this place unless you are bitten by a snake." "Where are the snakes?" "They are up in the mountain yonder." The poor man wended his way up the mountain with about a hundred pilgrims ahead of him, but when he reached the summit the snake was too tired and it refused to bite.

It is a terrible thing to be deprived of liquor under those conditions. Only the other day a man was knocked unconscious at the corner of 42nd Street and Fifth Avenue, New York. He happened to have a flask in his hip pocket. On the way to the Bellevue Hospital in the ambulance the poor man came to and he felt something trickling down his leg. He exclaimed: "Great Scott, I hope it's blood."

Another one scored off the Minister of Finance, who collects the taxes.

"I wish to take the House into my confidence in connection with a little dream I had the other night. We dream here a good deal. I dreamed that I died in Ottawa. I thought I was a senator and consequently I thought I was dead. I dreamed that I had left $100,000 to the Prime Minister, $100,000 to the leader of the opposition, and $100,000 to the Minister of Finance. It was stipulated in the will that they should each put into my coffin $1,000 to show that they had confidence in me and respected my word. This would prove that they believed I had the wherewithal to meet the provision of the will. Well, while lying there I saw the Prime Minister come along gaily and deposit $1,000 in fresh bills. And the leader of the opposition put in his $1,000 in gold. The Minister of Finance afterwards came up to the coffin, took out his cheque book and his fountain pen, wrote out a cheque for $3,000, laid it on my chest, took out the $2,000 in bills and gold—and went a-hunting.

Detailed data on selected securities

Our June Investment list is something more than a mere summary of prices and yields.

In concise form this list summarizes the essential information on well diversified groups of government, public utility and industrial bonds and preferred stocks.

The requirements of any investment can be met from this list and it will be helpful to you whether you are an investor of long experience or an investor contemplating a first purchase.

Income returns range from about 4½% to about 7½%.

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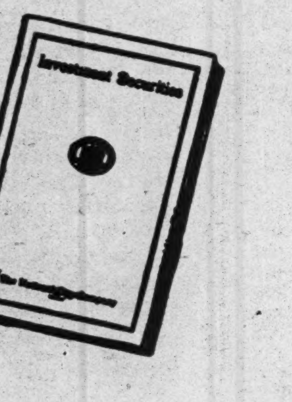

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What and When to Buy

The investor who buys *bonds* when *stocks* are high assures himself the means of buying stocks when they are low again.

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Goodyear Cotton Preferred Issue Offers 7.07% Yield

Following the recent offering of $300,000 of bonds, the public is now being given the opportunity to purchase preferred shares in Goodyear Cotton Company, the new company formed by Goodyear Tire to take over the business of Canadian Manhasset Cotton.

Dickson, Jolliffe and Company and H. N. Barry & Co. are making the issue. They point out that security for the issue and for dividends is provided by a contract which binds Goodyear Tire to buy a sufficient amount of the products of the subsidiary and at a sufficient price to guarantee payment of bond and sinking fund, preferred stock dividends and all other expenses. Advantages of company include low taxes; cheap power; no selling expense; no credit losses and low capital and administration charges.

The issue is redeemable at par at the option of the company.

$475,000
Goodyear Cotton Company of Canada
7% cumulative preference shares.
Redeemable at par on 30 days' notice.

Property — Cotton mill at St. Hyacinthe, Quebec.

Assets—Depreciated replacement value, land and equipment given as $1,013,600, plus value of new machinery being installed at cost of $150,000.

Earnings — Guaranteed by contract with Goodyear Tire to be large enough to protect preferred dividends.

Other securities — $300,000 first mortgage bonds. $5,250 shares of no par value common stock.

Offered—June, 1926, by Dickson, Jolliffe and Company, 302 Bay St., and H. N. Barry & Co., 53 King St. W., Toronto, at 99 to yield 7.07 per cent.

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News of the Investment Market

BUY WITH CARE WHEN INVESTING IN FOREIGN BONDS

Record of Other Countries Not as Good as That of Canada

One of the most significant features of the investment banking business in Canada during the past 18 months has been the increasing aggregate of Canadian funds invested in foreign securities—bonds issued by foreign governments, states and municipalities located in the United States of America, in the republics of South America, in Europe, and on the continent of Asia, says a report presented at the Investment Bankers convention at Jasper Park, this week. It has been estimated that approximately $100,000,000 of such bonds have been purchased by Canada during the past year and a half.

The attention of the Canadian investing public is drawn to the desirability of carefully scrutinizing the relative merits of each foreign investment and examining the financial history and conditions pertaining to these obligations much more carefully than is now generally deemed necessary when purchasing bonds issued by goernments or municipalities within the Dominion of Canada.

Canada's 100% Record

The record of prompt payment of all charges relating to the funded debt of the Dominion of Canada and the Canadian provinces is second to none in the world. It is a record 100% perfect from Confederation to the present day. The debt record, likewise, of Canadian municipalities is incomparable, and favorably so, with that of any other country in the world. Owing to this record in the discharge of public obligations, Canadians are prone to regard the "promises to pay" of Canadian Governments in the same light as they do their Dominion Bank Notes. There is a belief to the effect that municipal bonds, as a class of investments, are as dependable as bonds of the national or provincial governments. By this attitude towards Canadian bonds in general, there is created a sense of security in purchasing foreign government and foreign municipal obligations which is not altogether warranted by facts which are published in the annual reports of the Corporation of Foreign Bondholders of London, England, and in the reports of certain American investment services.

A perusal of these indicates that of the very large amount of bonds listed on the London Stock Exchange and excluding from consideration certain States in the American Union, whose record is regretted by many American financial authorities, no less than by foreign bondholders, 1.58% of all foreign government bonds listed and 11.25% of foreign municipal bonds listed on that exchange are in default. These figures exclude altogether Russian and Mexican obligations. Should these be included, the previous percentages would be increased to 14.14% and 26.3% respectively.

Shows Need For Care

A citation of these present conditions, relating to outstanding obligations issued by municipalities and governments in the United States, Europe and other countries, it is to be hoped, will serve the two-fold purpose of convincing investors that they should exercise care in purchasing public securities as well as in purchasing private securities, particularly when issued by authorities outside the Dominion of Canada, and secondly, that of furnishing suitable object lessons to our Canadian bodies politic as to the ultimate results of excessive or imprudent expenditures financed out of borrowed money.

Charles P. Bell, of the Dominion Securities Corporation, prepared the report.

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No matter how small your available funds may be, we invite you to make an appointment with a member of our firm to discuss the investment of it.

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F. M. Black Opens New Winnipeg House

Francis M. Black, formerly provincial treasurer of Manitoba, has formed a financial business in Winnipeg. It will be called F. M. Black & Co.

Mr. Black has had a varied business experience since leaving his home in Scotland as a boy. He was in banking in B. C. and then became treasurer of P. Burns Company, packers. He moved to Winnipeg in 1917 to become treasurer of United Grain Growers.

As provincial treasurer of Manitoba from 1922 until recently, he was responsible for a marked improvement in Manitoba's financial position.

Associated with Mr. Black will be C. A. Neel, formerly secretary of the Union Bank of Canada. The firm will do a general financial business, including insurance.

INCOME TAX REVENUES HOLD UP DESPITE CUT

Government Has Collected $36,000,000 With Ten Months Yet to go

Although earlier forecasts indicated that the government would lose about $12,000,000 by the cut in the income tax, the returns to date show such small reductions in revenue as to lead to the conclusion that the loss of revenue by larger exemptions and lower rates is being very materially offset by double taxation of dividends.

It has been claimed by the government that about 90 per cent. of the income tax payers would have their taxes reduced, which was a tacit admission that about 10 per cent. would have their taxes increased under the new schedule. Evidently the increase on the ten per cent. is going to be a large factor in offsetting the decrease in revenue from the 90 per cent.

During May of this year, the government collected $33,561,860 in income taxes, a decline of only about seven per cent from May, 1925. In April and May collections totalled $36,706,257, a decline of about 14 per cent. These figures compare with the decline of over 20 per cent that was forecast.

April and May brought in about three-fourths of income tax revenue a year ago. If April and May are to be taken as bringing in three fourths of the current year's revenue, total receipts will run in the neighborhood of $48,000,000, a decline of only seven or eight millions instead of the twelve millions forecast.

However, the final results may upset these calculations. Quite likely a number of people had set aside an amount to make the first payment only on their income tax, and found when the cut came that this was enough to pay practically their entire tax. Instead of paying only a portion of the reduced amount of their taxes, they may have paid the whole tax in one payment, and this would have swelled the April and May collections this year, and incomes may have averaged higher in 1925 than in 1924.

Sherwin-Williams Co. To Retire Its Bonds

From Our Own Correspondent.

MONTREAL.—Notices have been forwarded to the bondholders of the Sherwin-Williams Company advising them that the company will call all its outstanding bonds at 110 on January 1, 1927. Sherwin-Williams has a total bonded indebtedness of around $1,800,000 at the present time; of this figure some $340,000 consists of a mortgage on a subsidiary, the Canada Paint Company.

It is learned that the decision to retire the bonds was arrived at due to the exceptionally strong financial position in which the company is situated. At the close of the last fiscal year it had current assets almost seven times as great as its current liabilities; with a working capital of over $4,000,000, almost $1,000,000 was in cash. Since the close of the fiscal year last August, the financial structure has been further strengthened by the sale of the holdings in Lewis Berger and Sons, of London, England. It is understood that sale of these securities netted the parent organization in the neighborhood of $1,799,500. Thus the management considered that the funds so provided could be used to better advantage by the retirement of the bonds rather than by investment elsewhere.

This move will even strengthen the company's already strong position and perhaps may open the way for the long anticipated increase in the disbursement to the holders of the common stock.

Credit Anglo-Francais Sell Bonds of Religious Body

Credit Anglo-Francais, Quebec, are offering $90,000 of bonds of the Soeurs Servantes de Jesus Marie, of Hull, P.Q.

The bonds mature in from one to thirty years and are offered at par. The rate of interest is not given in the announcement made, but is probably 5 per cent. as the issues of Quebec religious communities rank high and have a ready sale.

Canada's Maturities Are $143,000,000 in Two Years

Recent authority granted to the Minister of Finance to borrow up to $150,000,000 covers all maturing obligations both this year and next.

Canada has the following issues maturing in 1926 and 1927:

Maturities—	Amount	Payable
Oct. 1, 1926	$35,000,000	Can. & N.Y.
Nov. 15, 1926..	8,000,000	Can. & N.Y.
	$43,000,000	
Dec. 1, 1927....	63,437,250	Can.
Nov. 1, 1927....	29,068,400	Can.
Nov. 15, 1927...	8,000,000	Can. & N.Y.
	$100,505,650	
	$143,505,650	

In 1928 there is a further amount maturing of $53,000,000.

B.C. Shipping Firms Join; Stock Issue Now Offered

A merger of British Columbia shipping firms is being financed by R. P. Clark and Co., Vancouver. They are making an issue of $750,000 of preferred stock of the Pacific Coyle Navigation Company.

The company is acquiring, as going concerns, Coyle Towing Company; Hecate Straits Towing Company; Pacific Tug & Barge Company; common stock of British Pacific Barge Company and a number of independently owned tugs.

$750,000
Pacific (Coyle) Navigation Company
7% cumulative first preference shares.
Redeemable by operation of sinking fund.

Property—Tug and barge company on Pacific coast. **Value**—Replacement volue of assets given as $2,743,000; depreciated value, $1,570,442.

Earnings—Average for three years of constituent companies, $108,143, net. Future profits estimated at $196,000 net, after depreciation, etc.

Sinking Fund—1 per cent. for 5 years; 2 per cent. thereafter to redeem issue at 110.

Other securities—7 per cent. cumulative second preference, $317,500 issued. Common shares, no par value, 13,750 issued.

Offered—June, 1926, by R. P. Clark & Co., 823 Hastings St. W., Vancouver. Price, 99, with 25 per cent. bonus of common.

Further Issue St. Maurice Valley Bonds is Made

Wood, Gundy and Company are offering more St. Maurice Valley Corporation bonds. Proceeds of this issue, which amounts to $1,300,000, will round out the company's financing and complete payment for recent construction. Two new machines are being paid for.

The present annual capacity of the corporation is 195,000 tons of newsprint, to be increased to 255,000 tons by the addition of the two machines. The new units are being installed at the Belgo-Canadian division at Shawinigan Falls, and, although owned directly by the corporation, they will be operated as an integral part of the Belgo-Canadian plant.

The bonds run for 20 years, and pay 6 per cent.

$1,300,000
St. Maurice Valley Corporation
6 per cent. 1st mortgage and collateral trust sinking fund gold bonds.
Dated Dec. 1, 1925 Due Dec. 1, 1945

Total Issue—$9,999,833.

Corporation—Owns St. Maurice Paper Company and over 85 per cent. common stock. Belgo Canadian Paper Company. These companies own two newsprint mills.

Assets—Total assets of corporation, $47,000,000.

Security—Direct charge against assets of $14,991,419, against which is depreciation and depletion reserve of $2,056,659. Also charge on 98 per cent. of Belgo stock with book value of $10,854,735 and on working capital of $3,643,498.

Sinking Fund—From December 1, 1928, $175,000 annually for 5 years, then $250,000 annually.

Earnings—Average for 6 years and 3 months to March 31, 1926, $2,261,000, available for interest depreciation and taxes. Estimated on completion of new machines, $3,918,000.

Other Securities—First mortgage bonds of Belgo; $8,857,000, 7 per cent. preferred stock of Belgo, $5,000,000; 7 per cent. sinking fund preferred stock of St. Maurice Valley Corporation, $6,800,000; common, no par value; 150,000 shares.

Offered—June 1926: Wood, Gundy & Co., Toronto. Price: par.

Gosse Packing Company, Limited

7% Cumulative Redeemable Sinking Fund Preferred Shares carrying a bonus of One Share Common with each Five Shares Preferred.

Price: Par and accrued dividend, yielding 7%.

Fully descriptive circular upon request.

MATTHEWS & COMPANY
LIMITED
Bond Dealers
255 Bay St., Toronto

A BONUS OF COMMON STOCK

The Gosse Packing Co., Limited, has paid average dividends of 14% for thirteen years.

The company's 7% preferred stock carries a substantial bonus of common stock.

Write for our booklet descriptive of the industry and the investment opportunity.

McLEOD, YOUNG, WEIR & Co
Limited
Metropolitan Building
Phone Adelaide 4836
TORONTO
MONTREAL HAMILTON
OTTAWA LONDON

Edmonton

The eyes of the world are centered on the rapid growth of trade in Western Canada. Edmonton, in particular, has created widespread interest. Situated adjacent to large coal areas and oil fields, it has become one of the most important of the western cities. It owns and operates its public utilities at a good profit, and it is rapidly becoming an important manufacturing centre. The Municipal Bonds of the City of Edmonton are widely bought in all parts of the United States and Canada. We offer city of Edmonton 5½ Bonds, due November 1, 1945, at 101⅜ and interest, to

YIELD 5.39%

Write for particulars

Gairdner & Co.
Limited
312 BAY STREET – TORONTO – ONT.

$9,939,982 in Vancouver

That is the total of building permits in Vancouver for the first five months of 1926, as against $2,685,148 in the same period last year. Can you overlook this solidly growing and prosperous city as a field for your investments?

Write for our investment lists.

Ceperley, Rounsefell & Co.
General Investments — Bonds
846 Hastings Street West
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Investment Bankers
ROYAL BANK BLDG. TORONTO

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Guardians, Transfer Agents, Bond Mortgage Trustees
Savings Department
Real Estate Department
CHARTERED TRUST & Executor Company
46 King St. W., Toronto

MONEY IS POWER

You have power in proportion to the money you save! $10.00 *saved each week and invested in High Grade Bonds yielding 6 per cent. will amount to about* $20,000 *in 20 years.*

We sell High Grade Bonds for cash, or on Systematic Monthly Savings Plan.

Send for Plan "S"

H. B. ROBINSON & Co. Limited
Investment Bankers
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136 St. James Street MONTREAL MAIN 8542

WILLIAMS, PARTRIDGE & HODGSON LIMITED
Investment Bankers
171 St. James St. MONTREAL

Municipal and Provincial Finance

FIVE PROVINCES FINISHED YEARS WITH DEFICITS

Seven of Nine Increased Expenditures During the Period

The provinces, and indeed, also the municipalities of Western Canada, are showing a much more satisfactory tendency, so far as their finances are concerned, than the provinces and municipalities in Eastern Canada. Three of the four Western provinces for the last fiscal year reported, showed surpluses of ordinary revenue over ordinary expenditures, the net surplus being $796,469. On the other hand, four of the five remaining Eastern provinces showed a deficit, the net aggregate deficit being $6,472,132.

In ordinary expenditure also, two of the four Western provinces showed reductions, while all five of the Eastern provinces showed increases in ordinary expenditure. These facts may be tabulated as follows:

	Surplus or deficit last fiscal year reported	Ordinary expenditure increase or decrease over preceding year
Ontario	—$5,107,364	$2,700,480 Increase
Quebec	+ 743,136	2,410,900 Increase
New Brunswick	— 556,238	277,046 Increase
Nova Scotia	— 1,502,061	391,672 Increase
Prince Edward Island	— 49,605	15,035 Increase
British Columbia	+ 603,492	617,319 Decrease
Alberta	+ 188,019	215,538 Increase
Saskatchewan	— 120,177	49,783 Increase
Manitoba	+ 125,135	247,784 Decrease

Budget balancing evidently remains a difficult task, and the position this year, as revealed in recent budget speeches is less satisfactory than in the preceding year. It would be easy to exaggerate the importance of surpluses or deficits, but it is an elementary principle of thrift that governments and corporations as well as individuals should spend less than they earn. The after war years have created new difficulties for the treasurers of our Canadian provinces, but with the improvement being accomplished in such large measure in Western Canada, coincident as it has been with substantial increases in both population and production, it is to be hoped that the older provinces in Eastern Canada will strive increasingly to accomplish similar results, says the Municipal Finance Committee of the Investment Bankers of Canada.

VICTORIA REAL ESTATE ACTIVE

VICTORIA.—Not for a long time has there been the same feeling of optimism with respect to the real estate situation in the city, and district as exists at present. The announcement that one of the most attractive sections of the Pemberton estate was to be placed on the market as a subdivision laid out under the most approved plans, coupled with the announcement that a plan of improvement at Patricia Bay was also projected, are features of the general development in progress

Tenders and By-laws

June 21, Ottawa—$741,942, 5%, 10, 15, 20 and 30-year debentures, John P. Balharrie, mayor.

June 22, Timmins—$139,000, 5½, 6, 6½ and 7%, 5, 15 and 30-year debentures. H. E. Montgomery, clerk and treasurer. (See announcement page 16.)

June 21, Town of St. Joseph d'Alma, P. Q.—$10,000, 5½%, serial debentures. J. E. Cote, sec.-treasurer.

June 21, School Commissioners of Grand'Mere, P. Q.—$90,000, 5%, serial bonds. Auguste Desilets, sec.-treas.

June 22, City of Westmount, P. Q.—$412,000, 4½%, serial bonds. Arthur F. Bell, sec.-treas.

June 21, Barrie. — $48,251, 5%, 15-instal. debentures. A. W. Smith, treas.

June 30 School Commissioners of the Village of Baie St. Paul, P.Q.—$60,000, 5 per cent., 30-year debentures. Hercule Girard, sec.-treas.

School Commissioners of the Village of Deschenes, P.Q.—$10,000, 5½ per cent., 20-year bonds. J. W. Delisle, sec.-treas

SASKATCHEWAN

Schools — Middlefold, No. 1165, $4,500; Woodview, No. 1346, $1,200; Kirkwall, No. 4647, $2,500; Ferland, No. 3409, $4,500.

Debentures Reported Sold

Schools — Elmwood, No. 2733, $9,000, 15 yrs., 5¾%, Cross & Co., Regina; Badger Hill, No. 1924, $2,000, 10 yrs., 5¾%, Melfort Sinking Fund; Ragg, No. 4842, $600, 15 yrs., 6%, Duck Lake Sinking Fund; McTaggart, No. 1145, $1,200, 10 yrs., 5¾%, Sask. Mun. Hail Assoc.; Alida, No. 4650, $7,000, 15 yrs., 5¾%, F. E. Watcheler, Regina; Dana, No. 174, $1,500, 5 yrs., 6%, Nay and James, Regina; Vibank Village, $2,000, 10 yrs., 6¼%, Houston and Willoughby, Regina.

No Allowance for Depreciation Made in Assessment of Buildings in Toronto; Manufacturers Think Method Unfair

Some complaint is heard among Ontario manufacturers — and chiefly manufacturers in Toronto—that their respective departments of assessment do not allow depreciation from year to year in assessing buildings.

The Dominion government in computing business incomes for tax purposes allows 2½ per cent. annual depreciation on brick buildings and higher percentages on certain other types of building. The assessment department of the city of Toronto does not follow any definite plan of allowing depreciation. The assessment of buildings is usually the same from year to year.

In assessing a building originally, the assessment officials are forced to place a fairly arbitrary value upon a building. The law declares that a building shall be assessed at the amount it adds to the value of the land. This is not always easy to determine. Original cost is only one of the factors to guide judgment. Suitability of the building for a variety of purposes is another. A theatre costing $500,000 would be likely to get a much smaller assessment than a light loft manufacturing plant in the down town district costing the same amount. The other day the assessment on a bowling club house was reduced from $4,500 to $2,500, chiefly on the ground that the building was suitable for only one purpose and therefore added little, if anything, to the value of the land upon which it was situated.

Assessment Changes Little

When the assessment of a building is set, the figure usually changes little from year to year. Five or six years ago, when building costs rose rapidly, the assessment department scaled up building levels generally but it is understood that no general downward revision has been made since. And taking the view that assessments made are conservative and are not made upon a basis of actual replacement value, the officials do not consider that a scientific scale of depreciation allowance is necessary.

Manufacturers differ from this view. One of them recently appeared before the court of revision and asked for a depreciation allowance. He did not get it, although he got a generous reduction in his assessment on general grounds.

When a building has obviously lost any re-sale value, it is usually the custom to assess it at a nominal amount. In the Ward, a district in Toronto, where land values are high but buildings are of a ramshackle nature, there are numerous structures assessed at $100 or thereabouts. Recently, two buildings were torn down at the corner of Queen and York Sts. to make room for a modern structure. The buildings were forty years old and together were assessed at only $1,100 although the one assessed at $1,000 was used very profitably as a store and the other, assessed at $100, was the home of an apparently flourishing hand laundry. The assessment of $1,000 was but a small fraction of the combined assessment, as the land was assessed at $32,100, making a total of $33,200 for land and buildings.

This Week's Bond Sales

CAPREOL BOND ISSUE

An issue of $26,000 Town of Capreol 5 per cent., 20-instalment bonds, guaranteed by the Province of Ontario, has been sold to the Canadian Bank of Commerce at 99.52, which is equal to a cost basis of 5.05 per cent. The bids were:

Canadian Bank of Commerce	99.52
Municipal Bankers Corp.	99.07
McLeod, Young, Weir & Co.	98.88
Wood, Gundy & Co.	98.60
C. H. Burgess & Co.	98.57
Macneill, Graham & Co.	98.53
W. L. McKinnon & Co.	98.49

NEW BRUNSWICK ISSUE

For its issue of $2,792,000, ten-year, 4¾ per cent. bonds the Province of New Brunswick has accepted the tender for ten-year bonds, payable in the United States as well as in Canada, submitted by Wood, Gundy & Co. and Syndicate of 98.80, or a cost to the province of 4.90 per cent. Alternative tenders had been called for ten-year and twenty-year bonds payable in Canada only, or in Canada and the United States. Following is a list of the bids:

	10-year	20-year
Wood, Gundy & Co., Ltd., Chase Securities, Corp., Equitable Trust Co., Royal Bank of Canada, Bank of Nova Scotia and Eastern Securities Co.	98.80	98.40
Dillon, Read & Co., and Dominion Securities Corp.	98.602	98.303
Canadian Bank of Commerce, Blair & Co., Kountz Bros., Continental and Commercial Trusts and Savings Bank, R. A. Daly & Co., and Atlantic Corp.	98.5499	98.2131
Guaranty Co. of New York and Bankers' Trust Co.	98.0799	97.8299
Royal Securities Corp., Estabrook & Co., and Blodgett & Co.	97.337	96.419
The Bank of Montreal, First National Bank of New York, Kissell, Kinnicutt & Co., Redmond & Co., A. E. Ames & Co., Hanson Bros. and J. M. Robinson & Co.	......	98.399
National City Co.	......	98.149
McLeod, Young, Weir & Co., Fry, Mills, Spence & Co., Thomas, Armstrong, Bell & Co., and Dominion Bank of Canada	......	97.77

UNLISTED BONDS

Abitibi 6% 1940	102	103
Algoma Steel 5% 1962	29¾	30½
Belding 5% 1936	89	..
Belgo Can. Paper 6% 1943	100	100¾
Brand-Henderson 5% 1939	90	..
Burns, P. & Co. 6½% 1943	103⅛	104
Can. National Rly. 5% 1954	101⅛	101¾
Calgary Brewing 5% 1942	83	..
Can. Steamship Lines 7% 1942	104⅝	...
Can. Pacific Rly. 5% 1934	99¾	100⅛
Can. Pacific Rly. 4½% 1944	93	93⅝
Can. Steel Foundries 6% 1936	102	..
Dom. Iron 5% 1939	..	41
Dom. Textile 6% 1949	106	..
Elect. Develop. 5% 1933	100⅜	..
Frontenac Brewery 6% 1951	97¾	..
Fraser Companies 6% 1950	96½	97¼
H. Smith Paper 7% 1941	100¼	100¾
Laurentide Power 5% 1946	100	..
Laurentian Power 6% 1936	100¾	..
Prov. of Ontario 5% 1948	101⅛	101¾
Ontario Pulp 6% 1931	107	..
Price Bros. 6% 1943	103⅛	103⅞
Quebec Power 6% 1953	103¾	..
Winnipeg Elec. 6% 1954	96¾	97½
St. Maurice Power 6½% 1935	108½	109
Jam. Pub. Service 6½% 1943	102	..
Span. River P. 8% 1941	107	..
Ottawa Mtl. Pr. 6½% 1949	101	..

BOND MOVEMENTS OF THE WEEK

Week Ending June 15

Bonds—	Int. Rate	Due	Yield	Range. 1925 High	Range. 1925 Low	Range, 1926 High	Range, 1926 Low	Ask	Latest Price Bid	Latest Price High	Latest Price Low
Asbestos	5	1942	5.18	100	80¼	98	92	..	96¼	98	96
Canada Bread	6	1941	5.51	105	102	106	104	..	104	105	..
Can. Canners	6	1950	6.32	96½	90	96	94	96	95½	96	..
Can. Cement	6	1929	5.36	103¼	100	103	101½	..	..	102	..
Can. Locomotive	6	1951	6.07	98¼	95	99	98	..	99½	99	98¼
Cedar Rapids	5	1953	4.89	99⅛	97	101½	98¾	..	100¼	101½	...
Dom. Coal	5	1940	6.20	90	84	89½	88	88¾	..	88¾	..
Mexican Elec.	5	1942	9.82	56	56	62	59½	..	59¾	61½	61
Montreal Tram. "A".	5	1955	5.48	98¾	92¾	95	92½	..	93	93	92½
Montreal Tram.	5	1941	5.25	98	94⅞	98½	97	..	97⅜	97⅜	97¼
Ogilvie "B"	6	1932	5.02	106½	103½	105½	105	105	..	105	..
Do., "C"	6	19 32	5.02	106½	103½	105½	104¼	105	..	105	..
Ontario Steel	6	1943	5.93	..	...	100¾	100¾	...	100¾	100¾	...
Steel of Can.	6	1940	5.30	106	103	107½	106	...	106¾	107	..
Rio de Janeiro	5	1935	5.58	95½	82	95⅞	92	..	94¼	95⅞	..
Wayagamack	6	1951	6.61	98¾	84¼	92½	92	92½	92⅜	92½	92
War Loan	5	1931	4.65	102.65	101.10	102.40	101.20	101.60	101.50	101.70	101.40
Do.	5	1937	4.60	104.95	103.80	104.65	103.35	103.85	103.75	103.70	103.35
Victory Loan	5½	1927	4.62	103.15	101.70	101.75	100.65	101.40	101.30	101.15	100.65
Do.	5½	1933	4.62	107.00	105.10	106.80	104.65	105.30	105.20	105.35	105.00
Do.	5½	1934	4.98	104.80	103.20	104.10	103.10	103.45	103.30	103.45	103.10
Do.	5½	1937	4.62	110.00	108.15	109.30	107.35	108.35	108.20	108.40	108.00
Do., Refund	5	1928	4.75	104.45	100.15	101.30	100.05	100.40	100.3	.....	.....
Do., Refund	4½	1940	4.89	97.25	92.00	96.70	95.60	96.00	95.90	96.00	95.70
Do., Refund	5	1943	4.82	102.95	101.15	102.20	101.15	101.95	101.85	102.05	101.60
Do., Refund	4½	1944	4.80	97.65	96.20	97.15	95.80	96.20	96.05	96.25	95.80
Do., Refund	4½	1946	4.81	.....	.....	96.25	95.65	96.00	95.85	96.10	95.90
Do., Renewal	5½	1927	4.85	102.95	100.80	101.95	100.35	100.90	100.70	101.45	100.40
Do., Renewal	5½	1932	4.98	104.20	102.60	103.40	102.00	102.85	102.75	102.55	102.50

WEEKLY RECORD OF CANADIAN FINANCING

Place	Date	—Sold To—	Rate	Maturity	Amount	Price	Yield
Bond Sales—		Municipal					
Saskatchewan Schools, etc.	June	Various	....	....	$23,000	....	...
Caperol, Ont.	June	Can. Bank of Commerce	5%	1946	26,000	99.52	5.05
Lachine, Que.	June	Versailles, Vidricaire & Boulais	5½%	1956	30,000	101.05	5.43
New Westminster School	June	Unknown	5%	1936	60,000	....	...
West Vancouver	June	....	5½%	....	100,000	....	...
		Provincial					
New Brunswick	June	Wood, Gundy & Co., and Syndicate	4¾%	1936	2,792,000	98.80	4.90
		Corporation					
400 Avenue Rd., Toronto	June	H. W. De Guerre & Co.	7%	1946	300,000	100	7%
Soeurs Servantes de Jesus Maire, Hull, Que.		Credit Anglo-Francais	....	....	90,000	100	...
Quebec Southern Power	June	Mathews & Co., and Browne, Urquhart & Co.	6½%	1946	400,000	99	6.60
Maurice Valley Corp.	June	Wood, Gundy & Co.	6%	1945	1,300,000	....	....

7%
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Public Service Companies are public necessities and grow as the country grows. That issues of such companies therefore possess a high degree of security has been amply demonstrated in the cases of the following:

Montreal Tramways	5%	1941
Montreal Tramways	5%	1955
Bell Telephone	5%	1955
Quebec Power	6%	1953
Quebec Ry.	5%	1939
St. Maurice Power	6½%	1953
Montreal Pub. Ser.	5%	1942
Laurentide Power	5½%	1946
Duke-Price Power	6%	1966
Manitoba Power	5½%	1951

Our trading department buys and sells Public Service Securities at the most favorable market prices.

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ASBESTOS MINES, LIMITED.
BLACK L. ASB. & CHROME, LTD.

The present offering is a portion of an issue of $4,784,135 General Mortgage Bonds, guaranteed by a mortgage on all the assets of the Company, valued at over $20,000,000, and subject only to a prior issue of $3,000,000 of First Mortgage Bonds.

Price to yield 7%
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INVESTMENT TRUST
5½%
BONDS
ARE A FULLY SECURED SOUND AND PROFITABLE INVESTMENT
for 1-5-10 and 20 Years

ANY business or industry, any section of the country, may suddenly be faced with conditions that make its securities valueless or largely depreciated, so that when investments are all placed in one security, or in one locality, there is a possibility of loss.

But one thing is certain, that no wide variety of businesses, or widely separated sections of the country, are equally influenced by the same conditions, and the wise investor does not put all his eggs in one basket, but spreads them about so that a setback in one industry or in one locality may not become a calamity to him.

While this is the fairly general practice of the large investor, the man with a comparatively small sum to invest has not been able to follow the same policy, because his holdings, by force of circumstances, have been confined to the securities of one or two companies or the bonds of one or two municipalities, while he has been largely shut out from sound mortgage investment. His eggs are all in one basket, not because he approves of the system, but because his capital limits diversification.

The National Debenture Corporation, Limited, has been inaugurated to give the small investor the same security and diversification of interests that is possible to the large investor. A dollar invested in The National Debenture Corporation, Limited, Collateral Trust Gold Bonds is distributed over a wide range of Trustee Securities held in trust for the Bond Holder.

Behind these Bonds, selected by men with skilful judgment, is 105% par value of trustee securities, deposited with the Trustee, The Trusts & Guarantee Company, Ltd., as security for the bondholders, insuring a diversification of securities that no individual mishap can appreciably affect.

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Group Insurance is Big Protection to Industry

Eliminates Much Suffering on Part of Workers' Dependents and Relieves Employer of Responsibility

By K. N. BURNS McKENZIE,
Before Life Underwriters' Association of Canada.

Group insurance is divided into two parts, where 50 or more lives are involved and where 10 to 49 lives are to be insured. In both cases it is on the yearly renewable term plan with the same disability feature. Where 50 or more lives are covered the estimated average premium is $10 per $1,000, while the premium where 10 lives are involved is approximately $12 per $1,000.

The first group of any consequence was written in 1910. In Canada this form of coverage became active in 1919. I am not going to deal with historical facts, but I am going to endeavor to discuss it, as it now exists. Early this year a group life association was formed, the chartered members being the Metropolitan, Canada Life, Prudential, Sun, Equitable of New York, Travelers, Missouri State Life, Connecticut General and the Aetna Life; therefore, any underwriting rules I might mention are general in so far as the members of the group life association are concerned.

Four worries of a worker are:

1. What will happen if I am sick?
2. What will happen if I should lose my job?
3. What will happen when I get too old to work?
4. What will happen when I die?

The institution of insurance has developed a service which takes care of all these worries, with the possible exception of unemployment.

Group insurance was devised to alleviate distress and unhappiness which sometimes develop as a result of the death or permanent disability of the worker. It does not furnish benefits due to sickness or accident unless such disability is presumed to be permanent and total. Of course, sickness and accident coverage can be added under a specified policy if the employer so wills.

Employees from all types of commercial and industrial enterprises are eligible and are to-day enjoying this protection.

A master policy is issued to the employer for the benefit of his employees. This is a contract between the insurance company and the employer. Each employee receives a certificate pertaining to the benefits payable to his beneficiary or to himself in event of disability up to age 60, the conversion privilege to which he is entitled if he ceases to be employed and usually some form of message from the employer giving his reasons for arranging this service.

To-day we are living in an era of quantity production. This has served to reduce the opportunity of personal contact between executives and employees. Progressive employers are thoroughly alive to this fact and are making provisions to meet the situation as one means of securing the good-will of their employees and keeping before them, the fact that there is a heart in industry—many use group coverage.

Many Individuals Fail to Insure

It has been estimated that approximately 30 per cent. of the workers in industry carry no insurance, 30 per cent. have not more than $500, while the average insurance in force on the remaining 40 per cent. does not exceed $1,000. It is, therefore, not surprising that employers are called upon for burial expenses or sufficient funds to help the widow and children through the period of adjustment; nor is the passing of the hat among other employees for the same purpose useful. This is, of course, charity. Group insurance covers this in a systematic way.

It is estimated that becuse of physical disability 20 per cent. of all employees cannot get insurance of any form or are obliged to pay premiums which have been rated up; because there is no medical examination, various employers have introduced group insurance in order to do something for employees, which employees cannot do for themselves.

Group insurance is viewed by some as a feature of employment, which will tend to attract desirable employees or make them more contented during the period of their employment. This is particularly true when the amount of insurance is increased with their length of service. Others use it as a means of stimulating thrift among employees and combine it with their savings plan. Other employers say that what goes on in a home has a bearing upon an employee's service in the office or shop. They consider home influence a very important asset. Group insurance goes right into the home. Many now substitute a group life insurance certificate at Christmas instead of the past custom of giving turkeys, etc. There are other reasons, miscellaneous in character, given by employers for adopting group insurance. The vast majority, though, are based upon maintaining the human equation rewarding loyal and faithful service, filling out a general industrial relations program and tying up more closely with his employee's dependents. Regardless of all this, its effectiveness depends upon the payment of the face value of the certificate whatever the cause. Directly, the beneficiary benefits and indirectly society in general.

There is a difference of opinion with regard to labor turnover. An effort was made to correlate group insurance with labor turnover. This was impossible because some other fatcor such as wage increase, change in hours, or change in departmental management had to be considered. It is, therefore, our duty to maintain it is no panacea for labor turnover, but all other things being equal, it does play its part. This is proven by the small lapse ratio and the tremendous growth of this service. Few employers want to spend money on floaters. The probationary period to be adopted depends upon the class of industry insured and their past experience. The period of three to six months seems to be most generally used. An employer usually knows at the end of three months whether or not an employee is going to be permanent.

The Premium Payment Plan

Originally employers bore the entire cost. This was known as the non-contributory plan. But in the course of time some employers felt that they would get greater results by having the employees make a small contribution toward the cost. The plan is known as the co-operative or contributory plan. To-day the majority of cases are sold on the latter basis. This carries a stipulation of 75 per cent. of eligible employees subscribing to the plan. The plan adopted depends upon the conditions confronting the employer and the specific object he has in mind to accomplish. This plan does not go into effect until 75 per cent. of the eligible employees have agreed to contribute a certain fixed portion of the cost. Employers maintain that employees must understand the benefits of the plan before they enter into the scheme. Ignorance of the benefits offered, may lead them to question the employer's motives for taking the insurance. Some employers also believe that the non-contributory plan is a form of paternalism. They further argue that if an employee wants the insurance it rests entirely with himself and because of the co-operation a broader basis of coverage can be provided without too much strain on either.

When 75 per cent. of all eligible employees belong to it, group insurance provides one method of assuring payment of benefits. The contract is, of course, made with the employer and not the association. Group contracts are not issued to associations or labor unions to cover its members as such. The plan is usually discussed with the keymen or committee. Then the employees are addressed or circularized. Employees, like most people, know little about their insurance. The responsibility for giving new employees this information is usually vested in the employment department or by stories, house organs, posters, photographic copies of checks, etc. Face value, $500 to $10,000 are the minimum and maximum amounts written under group life insurance.

What it costs—One per cent. of the total amount of insurance in force is a rough estimate, for instance, $500,000 of insurance would demand a premium of $5,000.

Some companies now refuse to allow their representatives to re-write a case covered by another company until it has been lapsed six months, or five months after the grace period. This is to protect our own interest, otherwise employees would have every right to be skeptical of the stability of this coverage.

MORE AUTO INSURANCE WRITTEN LAST YEAR

Competition is Keen and Considerable Rate Cutting Has Been Taking Place

From Our Own Correspondent.

OTTAWA.—The results of automobile insurance in Canada during the year 1925 may be regarded as reasonably satisfactory. The amount of insurance increased and losses were not excessive.

In automobile insurance a change has been made in the figures called for by the annual statement for the year 1925. This class of insurance hitherto reported under automobile (A), fire and theft, and automobile (B) liability, property damage and collision, is now shown under one heading, automobile.

The business of automobile insurance was transacted by one hundred and fourteen companies in 1925, of which forty-two were British, twenty-six Canadian and forty-six United States. The loss ratio for the year shows an increase from 46.16 in 1924 to 49.72 in 1925.

The results of the year 1925 compared with 1924 may be summarized as follows:

	1924	1925
Net prem. written	$6,391,616	$6,950,377
Net losses incurred	2,950,704	3,456,261
Loss ratios	46.16	49.72

The gain in premium income during the year was $558,761.

It is interesting to note that the total premiums for class (A) for the ten years prior to 1925 for which separate figures are available are $16,196,786 and the total claims $8,938,968. Loss ratio of 55.2. The total premiums for class (B) for ten years prior to 1925 are $19,683,348, and the total claims $8,613,243. Loss ratio of 43.8. The totals including fire and casualty coverage for eleven years, including 1925, are premiums $42,830,511, and claims $21,008,472. The average loss ratio for the eleven years was 49.05.

The premium income for the year seems small when it is considered that the number of motor cars licensed in the Dominion in 1925 was about 728,000. It is therefore evident that the majority of cars are not insured.

An amendment to the Insurance Act of Canada, which came into force January 1, 1924, requires an application signed by the insured or his authorized agent. The business must be underwritten and not merely placed on the books.

The automobile industry has been developed to such an extent that it has placed automobile insurance in the first rank. As this line of business is comparatively young, any estimation of the future volume of the business could not reasonably be given.

As there are many companies operating automobile insurance outside the Tariff Association a certain amount of rate-cutting has taken place. The Tariff Association is in the public interest, as it charges fair prices for automobile insurance and deals liberally with claimants. This cannot be done if premiums are inadequate.

The results of the year's underwriting of automobile insurance indicate that stock companies writing fire and theft insurance increased their volume of business somewhat, but losses were higher than in 1924 and profits were probably less.

Several years prior to 1925, the experience of automobile liability insurance was such that the National Bureau of Casualty Underwriters felt justified in making a slight reduction in the rates for 1926. The experience of 1925, however, shows that there was a marked increase in the number of accidents, which may necessitate an advance in rates. In general the companies are making a small profit on this class of business.

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Death Under Gas Deemed Accidental

Where the insured died from the effects of a weakened heart caused by administration of nitrous oxide gas, while having a tooth extracted, the death was caused by accidental means, since the effect the gas produced was not the natural consequence of the means which produced it. (Schleicher vs. General Accident, Fire and Life Assurance Corporation, App. Ct. of Illinois, 2nd District, April 25, 1926).

MONARCH HAS RECORD MONTH

New business produced by the Monarch Life Assurance Company in the month of May, 1926; was greater in amount than in any month since the company was organized. May applications amounted to $1,250,000. A special effort was made by the field force in honor of the birthday month of W. A. Matheson, president of the company. June and July are being devoted to a campaign among the policyholders of the company. A splendid total has already been written, indicating another record achievement in June.

METROPOLITAN AGENCY CHANGES

The following changes in the field are announced by the Canadian head office of the Metropolitan Life: W. R. Carslake, assistant manager at Smiths Falls, Ont., is appointed manager at Regina, Saskatchewan; Alec. Clements, agent at Calgary, Alberta, is appointed assistant manager at Edmonton, Alberta; N. C. Purvis, agent at Smiths Falls, Ontario, is appointed assistant manager at Smiths Falls (Brockville), Ont.; Albert J. Lemieux, assistant manager at Verdun, Montreal, P.Q., is transferred to Campbellton, N.B., detached office of Riviere du Loup, P.Q.; Aurele Lavigne, cashier at Timmins, Ont., is appointed assistant manager at Timmins.

INSURANCE LICENSES

The Department of Insurance has issued a license to the Queensland Insurance Co. to transact the business of tornado insurance, in addition to the classes for which it is already licensed.

A license has been issued the Niagara Fire Insurance Co., to transact the business of inland transportation insurance in addition to the classes for which it is already licensed. A license has been issued to the Federated British Insurance Company, authorizing it to transact in Canada the business of fire insurance. W. B. Robertson, Toronto, has been appointed chief agent in Canada.

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY

HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62

TORONTO, 24 Adelaide St. W.

W. H. GEORGE
Superintendent of Agents

THE
ROYAL TRUST Co
EXECUTORS
AND
TRUSTEES

SUN LIFE PURCHASES CLEVELAND COMPANY

Policyholders of Latter Will Have Increased Reserves and Other Advantages

Further evidence of the consolidation movement apparent among the larger financial institutions of America is seen in the purchase of the Cleveland Life Insurance Company by the Sun Life Assurance Company of Canada this week. Merger agreements have been approved by the directors of the Cleveland firm.

While the Cleveland company will lose its identity in the consolidation, the Ohio activities of the new international concern will be centralized in Cleveland, and it is stated that the transaction will not make much change in the local business of the company. The Cleveland Life Insurance Company is regarded as one of the most successful of the younger insurance companies of the United States. Although it had its origin only 17 years ago, the company has accumulated assets of about $7,000,000, and insurance in force at present approximates $38,000,000. Under the terms of the merger, shareholders of the Cleveland Life Insurance Company will receive $1,650,000 for their holdings. This amounts to $330 a share. It is announced that policy holders, both participating and non-participating are benefited in that the reserves under policies are increased by more than $1,000,000. That these policy holders are getting a very fair treatment under the transaction is shown by the findings of an independent actuary, and one of the best known in the profession, Henry Noir, of New York, that under the new arrangement the Cleveland Life policy holders will have advantages over those they now enjoy, or have enjoyed.

The business of the Sun Life Assurance Company in Cleveland will be under the jurisdiction of the Cleveland board, consisting of Wm. H. Hunt, now president of the Cleveland company, as chairman, F. F. Prentiss, Elbert E. Baker, H. G. Dalton and Chas. E. Adams.

The
ONTARIO EQUITABLE

Life and Accident
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S. C. TWEED, President

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WATERLOO, ONT.
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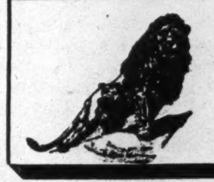
Million Estate Largely in Winnipeg Property

Probate of the will of the late Duncan Steele Curry has been granted to the Canada Trust Co., Winnipeg. The estate consists to a large extent of Winnipeg properties, one of which is the Curry block on Portage Ave. between Notre Dame Ave. and Garry St. The total assets of the estate are valued at about $1,000,000 and the beneficiaries are the widow and son.

The late Mr. Curry died about six months ago in San Diego, California, where he was temporarily residing on account of his health. His domicile was Winnipeg, where his interests were located. Mr. Curry was at one time City Comptroller for Winnipeg, and he had great faith in Winnipeg and the West.

WANTED: An Actuary for a Life Insurance Company recently organized. Please state qualifications, experience and salary expected.

Box 212, The Financial Post



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Just *think*, Men—His 1926 Premium is down to $2.55

BACK in 1881 at the age of 25, a young manufacturer's agent took out a $1,000 policy in the Mutual Life of Canada, in the ordinary life, profit-participating plan.

For the first three years his premium was $18.40. Mutual profits than began to show and in 1886 his premium was reduced to $15.72. Steadily, year by year, his profits grew and his premiums diminished in proportion.

This year his premium has almost disappeared. He paid $2.55 for his protection for 1926. He has been protected all this time to the full amount of $1,000, and is so protected today.

There are thousands of policyholders and the beneficiaries of policyholders who have had similar experiences to this one of the "Vanishing Premium" illustrated here. Let us send a copy of the Mutual Book

The MUTUAL LIFE of Canada
WATERLOO, ONTARIO

934

Current Events in Banking World

CONSOLIDATIONS ONLY METHOD TO PREVENT FAILURES

Hundreds of Small Banks in U.S. Farm Areas Have Failed

Not only is the branch bank movement spreading in the United States but in many sections of the country consolidation of the smaller banks is the order of the day to prevent further failures. Speaking specifically of Kansas—and generally for the entire country—State Bank Commissioner Roy L. Bone, recently declared before bankers of that state in convention at Topeka, that consolidation is the only salvation for the smaller banks. He urged that consolidation would bring in a larger volume of business with little if any increase in overhead expense.

Mr. Bone pointed out that suspensions occurred during 1924 and 1925 in nearly all states of the Union, but the greater proportion in southern, middle western and western states. He quoted the recent survey of the Federal Reserve bulletin, which shows that the greater percentage of the small bank failures was in the states comprising the wheat and corn belt of the country and the cotton states of the South.

The Kansas bank situation is but a reflex of that in many other Middle West states, and to an extent in southern states, he said. It proves, he declared, that there is not enough population and accumulating wealth to support so many small banks. To support this contention, the commissioner gave the following figures which he had assembled: 776 of the 1,004 Kansas banks have less than $300,000 in deposits; there are 258 of these banks with less than $100,000 in deposits, and 71 have less than $50,000.

New York Comment

Quoting Commissioner Bone's statements as above and his observation that: "Many of our failures have occurred in the second bank in a town where there never should have been but one." The Wall Street Journal comments:

> The trouble is that banks cannot adjust themselves to new conditions like other businesses. In nearly every other line the price of goods or service has been advanced. On the other hand while the cost of operating banks has greatly increased, that commodity which the bank deals in, credit, has been growing cheaper, and the banks are constantly *broadening the field of free service to customers. One development of cut-throat competition is offering* 4 per cent. for deposits and buying commercial paper at 4¼ or 4½ per cent.
>
> The past three years' experience has been confounding to the advocates of the unit banking system, especially those seeking to hedge branch banking expansion about with complicated restrictions. The day of the little bank at the country crossings is passing. The public has a right to expect that bank credit based on depositor's money should be in competent hands and should bear the same advantages and facilities afforded in the big cities. Due to Ford and others, the farmer can be more discriminating as to where he keeps his funds or seeks accommodation.
>
> There is only one solution to the rural banking problem if failures are to be avoided. That is consolidation or absorption by the bigger banks where a more effective economy of capital and administration can be brought about. In this way the small banks can bring up their volume of deposits to a proper, paying, ratio to overhead. In Kansas during the past year there have been 24 such consolidations. If Commissioner Bone will concentrate his endeavor along that line, he will be rendering country-wide service.

Canadian West Fortunate

These facts and opinions should surely dispose of the contentions of some of the Western financial theorists and experimenters that the Western provinces would be better off with small unit banks. While there have been hundreds of failures throughout the farming areas in the United States there have been no such difficulties in Canada. This is not because the agricultural areas in this country have avoided the difficulties faced by the American farmers but because in Canada there were no unit banks to fail—only branches which made up their losses by drawing upon resources in other parts of the country—J. W. T.

Bank Failures Are Now Occurring in Florida

NEW YORK.—Reports of the failure of four banks in Florida occurring the latter part of last week are not viewed by New York bankers as indicating any serious development likely to become state-wide.

It is pointed out by these bankers that the failures were all of small banks and that, generally speaking, the banks in Florida have remained in a very liquid condition, their percentage of investments in commercial paper and in call money being ample to provide for the rapid shrinkage in deposits.

This heavy shrinkage has been very noticeable since the first of this year and it is estimated that in some localities of the state as high as 50 per cent. of the deposits in the banks have been withdrawn. The liquidity of the banks keeps the situation from becoming serious.

Canadian Bankers in New York Discuss Broadening Out Policy

No General Tendency Toward Establishment as Trust Companies, But Some of the Banks Have Been Considering Step

The agent at one of the largest banks of Canada stated that in his opinion there would be no advantage whatsoever in his bank making the change and that there were many disadvantages which he could see.

When this agent was asked if steps might be taken at the head office of his bank in Canada to make the change, he stated that any move to become established as a trust company would probably have to originate with him.

At another agency it was pointed out that the incentive to become a state institution, which influenced the agencies of Italian banks and other foreign institutions where large numbers of people of their respective nationalities were resident in New York, did not influence the Canadian institutions.

The great similarity between the Canadian and American peoples and the neighborliness of the two nations, coupled with the fact that the same language is spoken, it was said, resulted in the Canadian feeling quite as much at home as a customer of an American bank as a Canadian bank, and that the need of equipping the agency to take domestic deposits was not evident as in the case of the agencies of foreign banks of other nationalities.

Less Incentive Now

It was stated, however, that a few years ago, before the establishment of the Federal Reserve System, there would have been a much greater incentive for the Canadian banks to become established as domestic institutions. At that time the New York City banks were not as large as they are to-day and the larger Canadian banks were considered much sounder by many people. Since the establishment of the Federal Reserve System and the immense accumulation of money in this country the security of the Canadian banks is no longer considered such an inducement.

That the Canadian banks have at different times taken interest in possible expansions in this country is clear. At one time the Royal Bank owned the Merchants Bank in New York City; but this holding was disposed of. The Canadian Bank of Commerce once owned the Commercial Bank of New Orleans; but its holding was sold out also a number of years ago. In Chicago, agencies of the Bank of Nova Scotia and the Bank of Montreal are maintained, and agencies of a number of the Canadian banks are in existence on the Pacific coast.

May Take Step in Future

While a majority of the representatives of the Canadian banks seem to feel that there would be neither profit nor expediency in organizing as trust companies, the opinion was expressed by the agent of the bank that sooner or later the step would probably be taken by his institution. He said that it had been under advisement at the head office, but that no immediate action is contemplated.

This agency at one time considered opening a second agency in the Forty-second Street district of New York City, but, after a study of the situation, concluded that there would be no particular profit in making the move.

Behind the reluctance of the Canadian banks to take advantage of the New York state law permitting them to incorporate local subsidiary trust companies is the fact that they are very well pleased with the existing situation.

No U. S. Banks in Canada

Due to the fact that there are no American banks in Canada the Canadian agency is in a specially favored position and able to finance American undertakings in Canada as well as expedite business originating in Canada.

The enormous American holdings on the other side of the border and the large amount of American capital which is going into Canada makes the getting of the business of American interests going into Canada one of the most profitable undertakings for the agency.

The view was expressed that there was no desire to take any step that would excite the slightest suspicion of any desire to compete with the New York banks for domestic business.

DOMINION BANKS

The Dominion Bank announces the following staff appointments: E. C. Boswell, formerly accountant at Huntsville, Ont., has been appointed acting manager at Baden, Ont., and is succeeded at Huntsville by J. M. Gaiger. W. J. Dundas has been appointed manager at West Toronto Branch, Toronto.

Staff Gossip

J. H. Maunsell, of the Bank of Montreal staff, has been transferred to Victoria; R. R. Jackson, of Vancouver, taking Mr. Maunsell's place here.—Progress, Chilliwack.

* * *

Roy McLean, who has been for some time in the service of the Bank of Toronto, has been transferred from the branch at Melbourne to Stayner.—Star, Creemore.

* * *

Gordon Stewart, who has been on the staff of the local branch of the Bank of Montreal for some time, has been transferred to a branch in Verdun.—Chronicle, Arnprior.

* * *

The Royal Bank of Canada has leased the northeast corner of the Terminal station building, which is the front section of the main waiting room, and will open a branch to be known as the Terminal branch.—Herald, Hamilton.

* * *

William Purdy, who has been in the employ of the Canadian Bank of Commerce here for some time past, has been transferred to the branch of that institution in Yarmouth.—Transcript, Moncton.

* * *

An announcement of a change of management in the local branch of the Bank of Nova Scotia has just been made to the effect that Oswald Welsh, at present manager at Kinistino, Sask., is to take over the Moose Jaw branch. Mr. Welsh has had about twelve years' experience as a bank manager in the prairie provinces.

W. B. Johnston, who has been manager of the local branch for the last six years, will leave to assume the management of another branch in Saskatchewan.—Times, Moose Jaw.

Par Collection Stands in Federal Reserve System

WASHINGTON.—The validity of the requirement of par collection of checks in the Federal Reserve System stands approved through the refusal of the Supreme Court of the United States to review the decision of the courts below in the case brought by the Pascagoula National Bank of Moss Point and Pascagoula, Miss., against the Federal Reserve Bank of Atlanta, Ga.

Petitioner protested against the qualification of the proviso reserving to member banks the right to make reasonable charges, not to exceed 10c. per $100, for collection or payment of check and drafts and remission therefor by exchange or otherwise which precludes the making of such charge against the Federal Reserve banks.

Weekly Bank Clearings

(In comparison with the same week last year)

EASTERN CITIES

	June 11, 1925	Jn. 10, 1926
Halifax	$3,233,415	$3,358,705
St. John	2,582,524	3,089,229
Moncton	955,874	1,041,855
Sherbrooke	921,059	948,280
Quebec	6,926,304	6,257,228
Montreal	94,587,899	112,942,489
Ottawa	7,704,825	8,407,457
Kingston	852,206	872,186
Toronto	94,828,138	115,288,645
Peterborough	848,504	972,085
Hamilton	5,313,793	5,811,232
London	3,149,985	3,602,174
Chatham	....	1,002,246
Brantford	1,110,776	1,235,129
Sarnia	....	620,609
Kitchener	1,356,303	1,547,910
Windsor	3,820,274	6,392,584
Total, East	228,191.879	273,390,043

WESTERN CITIES

	June 11, 1925	Jn. 10, 1926
Fort William	841,279	1,248,558
Winnipeg	40,600,919	62,337,871
Brandon	608,243	674,227
Regina	3,655,772	5,667,212
Moose Jaw	943,717	1,336,326
Saskatoon	1,612,801	2,111,423
Prince Albert	343,097	417,761
Lethbridge	513,573	514,612
Calgary	5,858,820	6,723,144
Edmonton	4,873,857	5,543,798
Medicine Hat	285,726	318,350
New Westminster	747,331	805,171
Vancouver	15,529,504	17,869,613
Victoria	2,194,231	2,471,808
Total, West	78,599,870	108,039,874

CANADA'S GOLD SUPPLY

Wall Street Journal: There is another significant fact in regard to Canada's economic position. While our gold production is practically stationary, for the past three years around $50,000,000 a year, Canada's has risen from $25,300,000 in in 1923 to $31,500,000 in 1924 and to $35,800,000 the last year. There is no doubt that Canada's mineral resources are destined to play an important part in her economic and industrial future.

Laurentide Company Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of one and one-half per cent. (1½%) has been declared upon the Capital Stock of this Company, for the quarter ending June thirtieth, 1926, payable July second, 1926, to Shareholders of record at the close of business June seventeenth, 1926.

By order of the Board of Directors.

W. F. ROBINSON,
Secretary.

Montreal, June fourth, 1926.

MONARCH MORTGAGE & INVESTMENTS, LIMITED

PREFERRED DIVIDEND

Notice is hereby given that a dividend at the rate of eight (8%) per cent. per annum, has been declared on the paid up Preference shares of this Company, for the half-year period ending June 30th, 1926, payable July 15th, 1926, to shareholders of record the 30th day of June, 1926.

COMMON DIVIDEND

The Directors have also declared a dividend at the rate of two (2%) per cent. per annum, on the Common shares of the Company, covering the same period and payable at the same time to the shareholders of record, June 30th, 1926.

By order of the Board,

EDWARD A. TANNER,
Secretary-Treasurer.

Toronto, June 10th, 1926.

Your Summer Vacation

can be made free from worry in regard to business which might otherwise be neglected, by appointing this Company to act as your Agent during your absence. We will be pleased to be commissioned to collect your rentals, or other moneys, make payments of taxes, etc., submitting statement of all transactions.

Correspondence and enquiries invited.

DIRECTORS:
W. G. Gooderham, President
R. R. C. Clarkson, Vice-President
George H. Smith, General Manager
Col. A. E. Gooderham
F. Gordon Osler
William Mulock, K.C.
William Stone
Geo. W. Allan, K.C. Winnipeg, Man.
A. B. Campbell, W.S. Edinburgh, Scotland
Norman Mackenzie, K.C. Regina, Sask.

Manager Ontario Branch: A. E. Hessin

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TUCKETTS PREFERRED PANETELA
26

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Sail from Quebec, as French as France, to Europe. Two days down the smooth waters of the St. Lawrence, without a dull moment, then

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J. E. PARKER
General Agent Ocean Traffic
C.P.R. Building, Toronto

Canadian Pacific

Return of the Chartered Banks of the Dominion of Canada, April 30, 1926

Made to the Minister of Finance in conformity with Section 112 of the Bank Act, Chapter 32, of The Statutes of 1923

LIABILITIES

NAME OF BANK	Notes in Circulation	Due to Dominion Government	Advances under Finance Act	Due to Provincial Gov'nm'ts	Demand Deposits in Canada	Notice Deposits in Canada	Deposits elsewhere	Bal. due to other Banks in Canada	Due to Banks in U.K.	Due to Banks elsewhere	Bills Payable	Letters of Credit	Other Liabilities	Dividends Declared & unpaid	Reserve Fund	Capital paid up	Total Liabilities	Capital authorized	% last dividend	Loans to Directors	Average gold and Coin Held	Average Dominion Notesheld	Greatest amount notes in circ
	$	$	$				$	$	$	$	$	$	$	$	$	$	$	$	%	$	$	$	$
Montreal	41,674,442	23,606,962	....	6,159,819	142,577,407	381,350,348	70,482,969	2,472,278	1,480,258	4,282,111	61,426	12,581,897	729,134	913,371	29,916,700	29,916,700	748,205,828	31,175,000	12	1,815,950	21,928,039	44,207,090	45,841,822
Nova Scotia	14,261,560	2,170,526	....	675,055	28,263,804	119,403,177	35,692,268	2,741,878	60,064	1,676,530	334,811	6,117,064	76,526	15,620	19,500,000	10,000,000	240,988,889	15,000,000	16	1,211,024	9,399,172	7,496,539	15,688,929
Toronto	7,015,437	314,981	4,500,000	711,454	27,658,234	54,042,069	....	710,232	....	935,720	376,553	1,287,498	148,454	2,321	7,000,000	5,000,000	109,702,956	10,000,000	12	899,539	436,626	5,380,794	7,888,675
Provinciale	3,797,378	144,315	....	182,664	5,423,157	30,981,894	....	....	....	27,555	....	55,500	30,955	4,633	1,500,000	3,000,000	45,148,054	5,000,000	9	....	177,083	229,784	3,972,373
Commerce	25,450,678	7,317,276	7,000,000	3,198,884	115,364,906	216,681,167	41,023,070	819,414	1,748,286	13,591,944	1,468,857	13,659,133	....	8,097	20,000,000	20,000,000	487,331,718	25,000,000	12	5,077,785	17,046,000	16,518,000	28,477,253
Royal	35,146,792	5,157,075	....	8,888,459	127,206,916	276,591,130	175,111,112	1,226,650	1,361,294	17,479,394	7,328,221	30,790,833	....	21,087	24,400,000	24,400,000	735,108,967	30,000,000	12	1,724,296	11,461,449	16,943,820	39,373,845
Dominion	6,739,888	815,145	6,500,000	457,568	25,631,350	61,659,946	2,281,280	1,036,210	129,903	1,082,326	195,858	7,557,964	532,646	3,549	7,000,000	6,000,000	127,623,637	10,000,000	12	944,621	2,137,000	3,751,000	7,801,551
Standard	5,878,690	645,962	3,000,000	545,203	17,028,993	49,236,893	....	1,194,953	162,718	412,912	....	506,279	196,773	145,602	2,900,000	4,823,400	86,678,382	5,000,000	12	251,867	576,537	2,793,138	6,326,070
Nationale	11,768,249	626,782	....	942,989	18,725,510	84,269,371	1,394,995	579	120,164	398,015	....	766,104	....	2,746	5,500,000	5,500,000	130,015,510	10,000,000	10	88,717	793,715	3,864,003	12,515,529
Imperial	9,079,062	1,042,018	....	5,506,775	27,831,455	63,981,740	....	769,051	28,399	167,801	....	669,166	....	210,522	7,500,000	7,000,000	123,785,992	10,000,000	12	794,509	988,979	6,382,785	10,421,927
Weyburn Security	499,800	53,409	....	16,857	1,550,978	2,252,515	....	....	....	20,983	....	....	....	....	225,000	524,560	5,144,103	1,000,000	5	104,275	23,108	53,798	623,135
Total	161,311,976	41,894,451	21,000,000	27,285,727	537,262,710	1,340,450,250	325,985,694	10,971,245	5,091,086	40,075,291	9,765,726	73,991,438	1,714,488	1,327,548	125,441,700	116,164,660	2,839,734,036	152,175,000	.....	12,912,583	64,967,708	107,620,751	178,901,091

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Notes of other banks	United States and other foreign currencies	Cheques on other banks	Balances due from banks in Canada	Due from banks elsewhere	Government securities	Canadian municipal British and foreign Securities	Railway and other bonds and stock	Call loans in Canada	Call loans elsewhere	Other current loans in Canada	Other current loans elsewhere	Loans to Municipalities and to provinces	Non-current loans	Real estate other than premises	Mortgages on real estate	Bank premises	Letters of Credit	Deposit for note circulation	In central gold reserves **	Shares of and loans to controlled companies	Other assets	Total Assets
	$	$	$	$	$	$	$	$	* $	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	30,695,395	43,825,260	2,776,474	1,259,374	22,731,348	148,397	17,224,879	93,456,444	33,599,867	3,566,104	17,713,425	124,783,231	222,872,318	56,334,269	30,435,377	2,694,857	916,340	1,338,704	11,950,000	12,581,897	1,282,241	15,000,000	1,414,029	532,116	749,132,357
Nova Scotia	9,404,755	7,577,220	822,850	1,949,940	11,265,072	....	3,292,296	32,078,487	10,944,424	14,804,835	18,510,020	8,420,960	73,724,724	21,393,555	7,279,228	362,547	64,145	75,850	7,391,936	6,117,064	477,272	6,250,000	....	145,123	242,352,316
Toronto	438,634	5,796,365	445,040	85,541	5,782,132	....	2,595,925	21,734,775	7,242,966	3,849,107	5,270,641	....	47,038,200	....	2,320,795	210,156	....	213,313	3,552,977	1,287,498	249,267	3,055,866	....	....	11,169,201
Provinciale	184,770	248,287	434,270	43,724	1,782,721	2,508,592	217,026	4,864,709	1,333,662	2,745,003	10,269,038	....	15,760,766	....	....	185,349	404,764	91,400	1,734,690	55,500	155,800	1,050,000	....	226,845	45,265,852
Commerce	10,044,828	15,338,630	1,603,890	1,380,404	17,358,875	13,980	16,5 1,980	60,247,651	25,980,758	12,113,057	28,139,498	20,518,590	177,338,228	39,794,925	24,807,739	1,997,432	2,355,396	802,652	11,907,837	13,659,133	1,000,000	8,500,000	1,532,847	291,335	493,229,676
Royal†	11,575,533	25,002,828	2,932,457	22,963,120	29,129,333	970	26,290,795	74,933,318	25,491,895	19,763,541	32,927,356	45,084,181	188,422,669	153,257,548	11,126,180	2,577,418	2,323,682	1,216,262	15,264,819	30,790,833	1,440,000	14,000,000	2,142,276	526,304	739,183,328
Dominion	2,146,991	4,854,691	762,395	138,606	5,549,461	15	1,432,546	18,732,255	6,094,720	2,486,754	9,596,018	3,637,486	55,146,957	1,158,250	883,646	306,187	59,491	19,390	5,928,820	7,557,964	310,000	1,700,000	....	456,516	128,959,169
Standard	597,663	3,326,912	418,198	77,461	5,119,675	....	1,261,960	12,432,275	3,220,545	2,658,658	8,825,980	....	40,164,550	....	2,041,680	614,127	311,500	176,119	3,744,430	506,279	258,000	1,500,000	....	150,560	87,406,581
Can. Nationale‡	872,203	3,902,517	1,033,505	177,096	4,361,025	516,726	1,521,696	20,104,689	9,425,041	1,215,920	7,291,441	1,000,000	56,647,229	963,267	5,907,040	187,551	1,308,079	822,820	5,594,703	766,104	283,419	7,300,000	....	185,719	131,387,801
Imperial	1,008,408	7,397,371	768,135	112,900	6,569,349	688,918	2,485,867	16,436,836	6,870,507	52,541	9,336,111	2,400,000	51,583,919	....	7,752,184	265,867	620,481	512,160	5,003,175	669,166	327,797	4,004 466	....	413,989	125,280,161
Weyburn Security	23,553	52,980	20,145	1,782	19,102	355,803	25,774	866,577	9,314	470,994	....	....	2,265,061	200,000	30,858	101,825	184,037	107,960	243,377	....	26,731	100,000	....	76,637	5,182,519
Total	66,992,733	117,323,061	12,017,359	28,189,948	109,468,093	4,233,401	72,850,741	355,888,016	130,213,699	63,726,514	147,879,528	205,844,448	930,964,621	273,101,814	93,753,653	9,503,316	8,547,915	5,376,630	72,316,764	73,991,438	5,810,527	62,460,332	5,089,152	3,005,144	2,858,548,961

**Of this deposit, $20,910,333 is in gold coin; the balance is in Dominion notes.

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris. As the entire capital stock of the Royal Bank in Canada (France) is owned by the Royal Bank of Canada, the assets and liabilities of the former are included in the above return.—Footnote to Royal Bank return.

‡The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidy of the Banque Canadienne Nationale are included in above return.—Footnote to Banque Canadienne Nationale return.

DEPARTMENT OF FINANCE, OTTAWA, JUNE 9, 1926.

The Foreign Exchanges

Conducted by S. J ZACKS

The foreign exchanges during the last week were marked by distinct weakness in one group of currencies and by a sharp break in others. Spanish, Japanese, and Brazilian currencies continue strong, while U. S. funds, although selling at 9/64 per cent. discount. record slight activity. The fresh collapse of the French franc, which sunk to within a few points of the year's low, has dragged Belgian and Italian currencies downward. In the latter part of Wednesday's trading Sterling sagged for the first time in several months.

As pointed out in this column last week, the French situation is a very crucial one and becomes a more delicate one hourly, involving an almost endless chain of far-reaching complications which require immediate remedies. The fact that the French public and parliament appear intent on saving the franc is a very hopeful sign. It is evident the situation is a political one as much as a financial one. The resignation of Briand and his ministry brings the total to four governments and eight finance ministers who have fallen by reason of financial difficulties. The present crisis has aroused keen public interest and many predict an immediate election. France needs a strong hand—a financial hero—and many believe that the fate of the franc depends on the discovery of a leader strong enough to rally the contending forces. France has had dictators before, and heroworship has been a recurring factor in French history. Complete restoration of public confidence undoubtedly will have a firming tendency. Stabilization of the foreign exchanges has failed partly because of lack of co-operation. The Bank of France will have to adopt a more generous policy with regards its gold. Before taking up the matter of a balanced budget, it must be remembered that the great problem of ratification of Washington debt settlement and establishment of foreign credits have been seriously retarded and it will take the strongest and best minds that France possesses to resume where Peret left off.

Coming to the budget, it is freely predicted by experts that the budget will not be balanced in 1926. It is charged that expenditures are understated while income is overstated. The effect of a depreciating franc on the budget will be considerable. Foreign interest charges rise automatically as the franc falls. Wages and prices have not yet become adjusted to recent declines of the franc. It is generally admitted that these lag somewhat in their upward tendency as the franc depreciates. Cleona Lewis, joint author of the French debt problem, states that:

"An actual balancing of receipts and expenditures in 1926 is far from probable. If some drastic measure is not taken, and taken soon, another year will end with an operating deficit, and another net sum will be added to the staggering total of the country's public debt. Reconstruction payments in the form of government securities will account for part of this debt increase. The rest will have to come directly from new loans. Where these new loans will come from is the subject of much anxious speculation. The lending power of the French people has been practically exhausted. The prospects of a foreign loan are being canvassed. Failing that, new advances from the Bank of France cannot be avoided—and that way lies further inflation, further depreciation of the currency, with repercussions upon wages and prices, and, eventually, upon the budget for 1927 and succeeding years."

The phenomenal rise of Spanish pesetas closing at $.16.16, a new high, appears unwarranted. Traders attribute rise to speculation and shortage of peseta bills in New York.

Although U. S. export trade figures show a decrease in May over April, imports for the first time this year were less than exports, the export balance amounting to $38,000,000. Lower cotton and rubber prices are the important factors in the lower export and import figures.

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
June 10	5-64	3-32	1-64	1-64
June 11	3-32	7-64	1-64	1-64
June 12	7-64	7-64	1-64	1-64
June 14	7-64	7-64	Par	1-64
June 15	7-64	1-8	Par	1-64
June 16	1-8	9-64	Par	1-64

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
June 10	4.86 3/16	2.95¾	3.64
June 11	4.86¼	2.93½	3.63½
June 12	4.86⅜	2.92	3.63¼
June 14	4.86⅜	2.75¾	3.55¾
June 15	4.86⅜	2.78¼	3.63¾
June 16	4.86¼	2.86½	3.63¾

FOREIGN EXCHANGE

Par		Close June 9	Close June 16
19.30	Italian	3.71	3.63
23.82	German	23.81	23.77
32.45	Brazil	15.50	15.53
19.30	Belgium	3.70	2.90½
94.85	Japan	46.94	46.69

Bankers Support Plan of Government Marketing

At the meeting at Kempville at which Hon. J. S. Martin, Minister of Agriculture for Ontario, announced the government's plan for taking charge of marketing of practically all agricultural products for export. A. J. Reynolds, manager of the Bank of Commerce, Peterboro, spoke on behalf of the banking interests represented. He praised the work being done by the agricultural schools in this province and in Alberta, and urged his fellow-bankers to take more interest in better farming methods. He maintained that at no time in the history of the country had there been any shortage in rural credits on the part of the banks and that "no class of business appealed more to bankers than the farming business."

The Western Assurance Company has declared a dividend of 10 per cent. per annum on the common stock, and 12 per cent. per annum on the preferred, for the period ending June 30, payable July 15 to shareholders of record June 30.

Who Prevented Meeting Farmers and Manufacturers?

Editor, The Financial Post:

The editor's note at foot of my letter in your issue of June 4th last makes it clear that you do not accept my denial of your remarks in your editorial of May 14th last referring to my attitude and statements at the annual meeting of the C.M.A. in Montreal in June, 1918. If, therefore, you are prepared to accept the truth, I would refer you to the official stenographer's full report of the proceedings in the offices of the C.M.A., which I have had looked up and which corroborate to the fullest extent what I stated in my former letter to your paper.

That you have got your facts mixed, as well as your observations based thereupon, is quite evident from your utterances about the late E. G. Henderson. The conference in Winnipeg which he had to do with was two years previous to my presidency and I had no personal relationship to it whatever.

S. R. PARSONS.

Toronto, June 9th, 1926.

This correspondence has arisen from Mr. Parsons' statement in the Toronto Telegram that it was none of the public's business why the oil companies advanced gasoline prices. The Post pointed out that such pronouncements of policy from big corporations, and especially from Mr. Parsons—who for some years has assumed the duty of speaking for the Canadian Manufacturers' Association—were very injurious to all business; that such policies in Canada were responsible for the present instability, in that they stirred up prejudices, especially against industry and were the real cause of the present unsatisfactory tariff conditions. While Mr. Parsons was president, Roderick MacKenzie, from the West, came to the annual meeting and on behalf of the organized farmers of Canada appealed for a getting together, in the interest of Canada as a whole, of the farmers and manufacturers; that after Mr. MacKenzie left the meeting, Mr. Parsons advised against such a conference and said if it did take place it would be necessary for the C.M.A. to have the ablest lawyers to aid them; that E. G. Henderson was responsible for the conference that finally took place.

Mr. Parsons now denies these statements and shows that the records are against us. We have not time to check them and we accept his word on these points. In fact, it is not likely that his references would be allowed to appear in the records. But, The Post's information is very definite that he made the statements referred to; in fact they created surprise after his protestations of the need of such a conference. The explanation may be that his address was "official," written for him by the C.M.A. officials, while his remarks were his personal opinion. Further, it is not the practice of the stenographers to take down such matter. For example, at the C.M.A. annual meeting last week a similar delicate situation arose. A member prominent in the Quebec Division made a lengthy attack on a senior officer of the Association, but Mr. Parsons will not find any reference to that in the stenographers' full report of the proceedings.

Who Was the Man?

If, as Mr. Parsons says, the meeting with the farmers arranged by Mr. Henederson occurred before his presidency, then it is all the more extraordinary that he himself failed to accept the invitation of the farmers for a conference during his term of office. In a former letter he says it was not his fault but that of a leading publicist who prevented the meeting of the farmers and manufacturers. Who is this man and how did he get into it? Is he one of the big lawyers Mr. Parsons said it would be necessary to call in? In view of the persistent efforts to set class against class in Canada, it is in the public interest that Mr. Parsons should give this name. It is now up to Mr. Parsons to explain why he should call in an outsider before accepting a friendly invitation made in the public interest. This is another example of the devious ways in which C.M.A. policies have been carried out at the head office.

It is very difficult to understand just what Mr. Parsons' objective has been all these years and still is. He has been the most aggressively talkative man in industry, and he has an unfortunate capacity for creating a misunderstanding of the attitude of the C.M.A. to other classes, to the very great disadvantage of industry.

The Financial Post, with its connections all over Canada and knowing how dangerous is this policy, has on a number of occasions protested. So have others. At the annual meeting two years ago at Montreal a former president, Thomas Cantley, M.P., expressed himself even more bluntly and strongly than even The Post did.

Attacked Tariff Board

If any further evidence were necessary, it came up at last week's meeting when Mr. Parsons took a stand against the personnel of the Tariff Commission, sworn to do its duty. They were too biased, he said, in face of the fact that they were sworn to do their duty and that no man has gone through a long public career with a finer record than the chairman, Hon. Mr. Graham. He next warned manufacturers of the danger of letting the public have the facts concerning their industry, which is the most popular argument being spread among voters by opponents of industry who tell of secret combines and a holding up of consumers. Finally, he appealed to Mr. Bristol, the C.M.A. tariff expert who will have to appear constantly before this commission. If he supported Mr. Parsons, of course, his usefulness would be gone, but he pulled himself out in a very tactful way and was followed by leading members like President Fortier; the treasurer, Thomas Roden; Hon. E. J. Davis and Gordon Cockshutt, ex-president of the Woollen and Knit Goods Manufacturers Association, all of whom took very strong ground in support of the integrity of the members of the commission, and the importance of bringing the facts to public attention before an unprejudiced body such as the new commission. Mr. Cockshutt thought they would be of great service to his industry. Mr. Fortier said they should help, not attack and hamper the commission; all the C.M.A. wanted was to show the country the facts without prejudice, that the manufacturers were simply one section of Canadian industry and that they were ready to make sacrifices for other sections in the national interest. Mr. Davis believed that the commissioners were honest, straight-forward men who would do their duty, and that this would be the opportunity that manufacturers had long been looking for to place the facts before other classes in Canada—The Financial Post.

BANK OF COMMERCE

The Canadian Bank of Commerce announces the appointment of H. H. McKee as an additional assistant manager of its Montreal branch. For the past three years Mr. McKee has been in charge of the Three Rivers branch of the bank, prior to which time he was on the inspection staff and connected with the New York Agency of the bank for some six years.

Improvement is Shown in the Steel Industries

In volume of new buying, in the more confident attitude of both buyers and sellers, and in the promise for business in the third quarter, the steel trade shows improvement. At the same time, the moderate reduction in schedule of mill and plant operations, generally planned for June, is being made, according to Canadian Machinery.

In pig iron, and many forms of steel, there is justification for the belief held by many buyers that present prices will hold for some time. Acting on this belief, buying for third quarter has become more general, especially by those engineering plants which are well-stocked with orders.

Asbestos Corporation to Acquire Property?

MONTREAL.—The death this week of A. S. Johnson removes one of the most well known figures in the Quebec asbestos mining fields. Mr. Johnson was sole owner of the Johnson Asbestos Company and, when price-cutting became too keen, he simply closed down his mine.

He was the pioneer in the industry in Canada and himself discovered the deposits in the Eastern Townships of Quebec in 1875. At the time of the formation of the new Asbestos Corporation, Mr. Johnson declined to enter the merger, and thus it seems possible that, with the passing of the mine into other hands, the Asbestos Corporation might eventually acquire this property.

The general run of buyers, however, are holding down purchases to their absolute necessities, but, while orders are for small amounts, they are marked for quick shipment, indicating that little material is going into stock.

Quebec Insurance Brokers Unite in Association

MONTREAL.—The three associations of insurance brokers of the province of Quebec have been merged into one organization known as the Insurance Brokers' Association of the Province of Quebec. The amalgamation affects some 500 insurance agents in this province. The uniting and centralization of efforts is expected to bring about many advantages.

The headquarters of the new association will be in Montreal, and the incorporation of the Montreal association was transferred by motion to the new organization. Local committees will be elected for the 28 provincial districts. The officers of the newly-formed body are as follows: R. J. Wickham, of Montreal, president; George Tanquay, of Montreal, chairman of the executive committee; vice-presidents, M. A. Auger, Quebec; J. B. Fontaine, Joliette; Percy E. Potter, Montreal, and J. F. Parisien, Montreal; treasurer, Denis A. Hanson, Montreal; secretary, J. C. d'Auteuil, Montreal; directors, James L. McCulloch, Montreal; L. H. Pinchot, Montreal; J. A. Demers, Montreal; P. J. Mageau, Montreal; J. Rowat, Montreal; A. I. Gravel, Three Rivers; H. Raymond, St. Hyacinthe; F. J. Conway, Sherbrooke; J. Lacroix, Hull, and one other to be elected from Quebec city. P. E. Potter was elected to the office of chairman of the Montreal district.

TORONTO STOCK EXCHANGE

At the annual meeting of the Toronto Stock Exchange, Avern Pardoe was elected president to succeed Col. G. G. Mitchell. C. E. Abbs, who was formely secretary, was elected vice-president. George W. Blaikie, the new treasurer, succeeds A. D. Morrow. The committee is as follows: President, Avern Pardoe; vice-president, C. E. Abbs; secretary, W. H. Mara; treasurer, Geo. W. Blaikie; committee, F. G. Osler, Orlando Heron, G. G. Mitchell.

Canada Cement Company LIMITED

ORDINARY SHAREHOLDERS DIVIDEND No. 41

Notice is hereby given that a dividend of 1½% for the three months ending June 30th, 1926, being at the rate of 6% per annum on the paid-up Ordinary Stock of this Company has been declared and that the same will be paid on the 16th day of July next to Ordinary Shareholders of record at the close of business June 30th, 1926.

H. L. DOBLE,
Secretary.

Montreal, June 15th, 1926.

The Consolidated Mining & Smelting Company of Canada, Limited.

DIVIDEND No. 44

Notice is hereby given that a Dividend of Three Per Cent. (3%) on the paid-up Capital Stock of the Company for the six months ending June 30th, 1926, and a bonus of Three Dollars ($3.00) per share, has this day been declared, payable on the 15th July, 1926, to shareholders of record at the close of business on the 30th June, 1926.

By Order of the Board,
J. E. RILEY,
Secretary.

Montreal, June 16th, 1926.

ENGLISH ELECTRIC CO. OF CANADA, LIMITED

DIVIDEND

Notice is hereby given that a dividend of three and one-half per cent. on the Preferred Stock of the English Electric Company of Canada, Limited, has been declared, on account of arrears, payable on June 30th, 1926, to shareholders of record, at the close of business, June 15th, 1926.

By Order of the Board.
J. H. PHIPPEN,
Secretary.

Montreal, June 5, 1926.

CHINESE MARKET for Canadian Products

Englishman born and trained in Shanghai now visiting Canada is ready to discuss the Chinese market with prospective exporters.

Box 211, Financial Post, Toronto

TERMINAL FOR SIX BUS LINES IN TORONTO'S HEART

(Continued from page 1)

connection with the proposed radial lines. What is more this new form of transportation is bringing passengers to the heart of the city without materially adding to congestion and without any expenditure whatever on the part of the public, such as entailed in any of the proposals to provide downtown terminal facilities for the suburban railways.

The bus is developing as a factor in transportation as the result of private, and in many cases, individual, enterprise. The majority of the lines which have been successfully built up have been started by individual drivers with a financial stake sufficient to make the first payment on their vehicles. Even to-day the statement is made on the authority of a man closely in touch with the situation that he knows of only one bus operator in Ontario who has a surplus account—the majority of them are still endeavoring to make profits to pay off capital obligations. Substantial taxes are being paid to the government and the Department of Highways is exercising good judgment in its licensing of the different routes. In fact, instead of opposing taxation the operators have co-operated with the government in this matter, recognizing that as they made use of the highways built by the taxpayers they should pay their share of the cost. And so a substantial share of the bus revenue is paid out in taxes and the operators recognize this as a part of their overhead expenses just as the railroads have to allow for track maintenance.

How far the bus will be developed is a question which cannot be answered, but the establishment of the Toronto union terminal indicates that the bus business is being definitely organized and the proportions of the traffic indicate that it has become a real factor in the transportation situation. Success depends very largely upon close attention to details and costs, and in this respect it seems probable that the development will continue along the lines of comparatively small companies rather than big corporations as in the steam railroad and electric radial fields.

Muirhead's Cafeterias LIMITED

A dividend of twenty-five cents (25c.) per share has been declared on the Preference Shares of the Company to shareholders of record June 15th, payable July 1st, for period ending June 30th.

By order of the Board.
E. G. McMILLAN, Secretary.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a Dividend of two and one-half per cent., being at the rate of ten per cent. per annum, upon the paid-up Capital Stock of this Company, has been declared for the current quarter, and that the same will be payable on and after

1st July, 1926

to shareholders of record on the books of the company at the close of business on 15th instant.

By order of the Board.
WALTER GILLESPIE,
Manager.

Dominion Textile Company Limited

NOTICE OF DIVIDEND

A Dividend of One and Three-quarters per cent. (1¾%) on the Preferred Stock of DOMINION TEXTILE COMPANY, Limited, has been declared for the quarter ending June 30th, 1926, payable July 15th, to shareholders of record 30th June.

By order of the Board,
JAS. H. WEBB,
Secretary-Treasurer.

Montreal, June 2nd, 1926.

Dominion Textile Company Limited

NOTICE OF DIVIDEND

A Dividend of One Dollar and Twenty-Five Cents ($1.25) per share on the Common Stock of DOMINION TEXTILE COMPANY, Limited, has been declared for the quarter ending June 30th, 1926, payable 2nd July, to shareholders of record June 15th.

By order of the Board,
JAS. H. WEBB,
Secretary-Treasurer.

Montreal, June 2nd, 1926.

PROVINCIAL PAPER MILLS LIMITED

DIVIDEND NOTICE

Notice is hereby given that Dividends have been declared by Provincial Paper Mills, Limited, as follows:

Regular Quarterly Dividend 1¾% on Preferred Stock.

Regular Quarterly Dividend 1½% on Common Stock.

All payable July 2nd, 1926, to Shareholders of Record as at close of business, June 15th, 1926.

(Signed) S. F. DUNCAN,
Treasurer.

Canadian Locomotive Company, Limited

Dividend No. 58

Notice is hereby given that quarterly dividend of one and three-quarters per cent. on the Preferred Stock was declared payable July 1st, 1926, to shareholders of record June 20, 1926.

G. W. DALY,
Secretary.

Kingston, Ont., June 9, 1926.

Coffee and Tea More Detrimental Than Alcohol

NEW YORK.—Excessive use of alcohol caused .7 per cent. of all the physical impairments of 16,652 men examined by the Life Extension Institute, and coffee and tea-drinking is assigned as the cause of 40.7 per cent., according to an announcement yesterday of the results of the examinations. Of the entire number who submitted to medical examination, 60.8 per cent. were found to be suffering from some kind of physical impairment due to the lack of proper exercise.

Supposedly innocent habits caused most trouble, according to the figures, showing that 39.6 per cent. were suffering from digestive disorders, 26.2 per cent. from septic or diseased tonsils, 29.5 per cent. from defective vision, 19.1 per cent. from faulty posture, 16.4 per cent. from flat feet, 13.3 per cent. from thickening of the arteries, and 15.4 per cent. from constant headaches.

J. M. WOOD APPOINTED

J. M. Wood has recently been appointed to the Montreal office of Dominion Securities Corporation, Limited. Mr. Wood has been with the Dominion Securities Corporation since 1912, serving overseas as an officer during the war and subsequently acting as manager of the western department, Winnipeg to Vancouver. For the past five years he has been in charge of the Canadian Department of the Chicago office of Dillon, Read and Company, the American associates of his company.

Automotive Credit Corporation, Limited

Notice to Bondholders

Notice is hereby given that the regular half-yearly interest of three and one-quarter per cent. (3¼%), being at the rate of six and one-half per cent. (6½%) per annum, will be due and payable on July 1st, 1926, and coupons may be presented at the Offices of the Company, 190 St. James Street, Montreal, Quebec, or 1320 Metropolitan Building, Toronto, Ontario, on or after that date.

Registration and transfer books will be closed from June 15th to June 30th, 1926, both dates inclusive.

By order of the Board.
F. J. BASHFORTH, Secretary.

June 9th, 1926.

The Trinidad Electric Company, Ltd.

Notice is hereby given that a dividend of 1¼% for the quarter ending June 30th, 1926, on the Capital Stock of the Company has been declared.

Warrants will be issued and mailed to the address of each shareholder and are payable at the Royal Bank of Canada, Halifax, N.S., on and after the 10th of July, 1926.

The transfer books of the Company will be closed from the 1st to the 10th of July, 1926, both days inclusive.

By order of the Board.
F. B. OXLEY,
Secretary.

The Shawinigan Water & Power Company

Notice is hereby given that a dividend of Two per cent. (2%) has been declared on the Common Stock of this Company for the quarter ending June 30th, payable July 10th, to shareholders of record June 21st, 1926.

By order of the Board.
JAMES WILSON,
Secretary.

Montreal, June 8, 1926.

Abitibi Power & Paper Company Limited

Dividend Notice

Notice is hereby given that a quarterly dividend of 1¾% has been declared on the Preferred Stock of the Abitibi Power & Paper Company, Limited, payable the 2nd day of July, 1926, to shareholders of record at the close of business the 19th day of June, 1926.

By order of the Board.
W. H. SMITH,
Secretary-Treasurer

SOUTHERN CANADA POWER COMPANY LIMITED

Dividend No. 26

A DIVIDEND of One and one-half per cent. (1½%) on the PREFERRED STOCK OF SOUTHERN CANADA POWER COMPANY LIMITED has been declared for the quarter ending June 30th, 1926, payable July 15th, 1926, to shareholders of record June 25th, 1926.

By order of the Board,
L. C. HASKELL,
Secretary-Treasurer.

Montreal, May 28th, 1926.

Ottawa Light Heat & Power Company, Limited

DIVIDENDS

Notice is hereby given that the usual dividends have been declared for quarter ending June 30th, 1926, payable to Shareholders of record June 15th, as follows:—

PREFERRED STOCK: 1⅝%, (being at the rate of 6½% per annum), payable July 1st, 1926.

COMMON STOCK: 1½%, (being at the rate of 6% per annum), payable June 30th, 1926.

The transfer books will not be closed.

By Order.
D. R. STREET, Secy.-Treas.

Ottawa, June 10th, 1926.

THE CANADIAN CONVERTERS' CO., LIMITED

Dividend Notice

Notice is hereby given that a Dividend of one and three-quarters (1¾%) per cent. has been declared on the Capital Stock of this Company for the quarter ending 31st July, 1926, payable 16th August, 1926, to Shareholders of record at the close of business, 31st July, 1926.

By Order of the Board.
THOS. M. BARRINGTON,
Secretary-Treasurer.

Montreal, 9th June, 1926.

The Dominion Bank

Notice is hereby given that a Dividend of three per cent. upon the paid up Capital Stock of this Institution has been declared for the quarter ending 30th June, 1926, being at the rate of twelve per cent. per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Friday, the 2nd day of July, 1926, to shareholders of record of the 19th June, 1926.

By Order of the Board.
C. A. BOGERT,
General Manager.

Toronto, 27th May, 1926.

MONTREAL TRAMWAYS COMPANY

DIVIDEND NOTICE

Notice is hereby given that a dividend of Two Dollars and Fifty Cents ($2.50) per share for the quarter ending June 30th, 1926, has been declared upon the paid-up Capital Stock of the Company, to Shareholders of record on Wednesday, June 30th, 1926, at 4 o'clock p.m., payable on Thursday, the 15th day of July, 1926.

By Order of the Board.
PATRICK DUBEE,
Secretary-Treasurer.

May 31st, 1926.

PREFERRED DIVIDEND NO. 20

Mutual Finance Corporation, Limited, Windsor, Ontario

Notice is hereby given that a half yearly dividend for the period ending June 30th, 1926, on the Preferred Stock of the Corporation at the rate of 8 per cent. per annum will be payable to shareholders of record June 20th, 1926, and that cheques will be mailed on July 15th, 1926.

C. W. McDIARMID,
General Manager.

Windsor, June 14th, 1926.

Canadian Pacific Railway Company

Dividend Notice

At a meeting of the Board of Directors held to-day a dividend of two and one-half per cent. on the Common Stock for the quarter ended 31st March last was declared from railway revenues and Special Income, payable 30th June next to Shareholders of record at three p.m. on 1st June next.

By order of the Board.
ERNEST ALEXANDER,
Secretary.

Montreal, 5th May, 1926.

Tenders for Debentures

Tenders will be received by the undersigned up to Tuesday, June 22nd, 1926, for the purchase of the following Debentures issues:

$25,000.00

For building of Public School, Term 30 years, Interest 5½%, equal annual payments of Interest and Principal $1,720.13 payable any place or places in Canada or Great Britain. By-Law Number 300, Government Guaranteed.

$62,000.00

For Construction of Asphalt Pavement 40 feet wide on Third Avenue, Fourth Avenue, Spruce Street and Cedar Street, and a 12-inch Storm Sewer on Second Avenue and Cedar Street. Term 15 years, Interest 6½%, equal annual payments of Interest and Principal $6,593.87 payable any place or places in Canada. Local Improvements, By-Law Number 311.

$18,000.00

For Construction of Sanitary Sewers on Kirby Avenue, Commercial Avenue, Preston Street, Rea Street, First Avenue and Spruce Street. Term 15 years, Interest 6%, equal annual payments of Interest and Principal $1,853.33 payable any place or places in Canada. Local Improvements, By-Law Number 312.

$12,000.00

For Construction of extensions to Water Works System on Kirby Avenue, First Avenue, Spruce Street and Bannerman Avenue. Term 15 years, Interest 6%, equal annual payments of Interest and Principal $1,235.54 payable any place or places in Canada. By-Law Number 313.

$22,000.00

For Construction of Asphalt Penetration Pavement 16 feet wide on Wilson Avenue, Mountjoy Street and Third Avenue. Term 5 years, Interest 7%, equal annual payments of Principal and Interest $5,365.59 payable any place or places in Canada. Local Improvements, By-Law Number 310.

Tenders not accepted for less than the full above mentioned issues. Purchaser to arrange and pay for the Printing of Bonds.

TOWN OF TIMMINS,
per H. E. MONTGOMERY,
Clerk and Treasurer.

WINDSOR BUS BOY BECAME FAMOUS RESTAURATEUR

Louis Sherry Once Held Humble Job in Montreal Hotel

From "Bus Boy," in the Windsor Hotel, Montreal, to the leading caterer of the continent was the career of Louis Sherry, who passed away in New York last week.

The ambition to be a caterer and to build up "the best establishment in the world," to use his own words, possessed Sherry when he was a lad of only 14. He was born in St. Albans, Vt. His father was a carpenter of French descent and his mother was a member of an old Vermont family.

At an early age the poor Vermont lad, who later in life was to become a multi-millionaire, went to Montreal. He got a job as a general helper in the Windsor hotel. After he had saved a little money he decided to go to New York City.

The New York Times tells his story:

He had a hard struggle at first to find enough work to pay for food and lodgings. But he eventually got a job at the old Brunswick Hotel, Twenty-sixth Street and Fifth Avenue, as a bus boy. His first work in New York was obtained under such difficulty that young Sherry resolved then that he would do everything possible to keep it. He never reported late and his faithful service soon earned for him promotion to waiter.

Sherry showed himself to be more than an ordinary waiter. He gave attention to every complaint and suggestion of patrons, and made a practice to study the eccentricities of the palate.

He was still in his youth when he was asked by the manager of the Hotel Elberon, at Elberon, N. J., to take charge of the dining room and kitchen of that establishment in the summer when it was patronized by prominent New Yorkers. Sherry filled the job with such satisfaction that he was employed in the same capacity for the second season. The Hotel Brunswick, however, refused to grant him leave of absence, so he quit his regular job to go to Elberon. At the Hotel Elberon, as at the Hotel Brunswick, Sherry lost no opportunity to cultivate acquaintances, and to make friends among the hotel's patrons.

Opens His First Restaurant

At the end of the season, Sherry had $1,300 in his pocket. With that he returned to New York City and opened his first restaurant at Thirty-eight Street and Sixth Avenue.

"From the start I determined not to let anything go out of my house that was not made in the best possible way out of the best and most expensive materials on the market," said Sherry, once telling of his start in business and of his struggle to win a place for himself in competition with Delmonico's and other famous restaurants of that day.

"I was a great deal disappointed at first because some of the people who had so glibly promised to patronize me at the seashore, and who talked kindly and flatteringly to me when I called on them, still gave all their orders to Delmonico and Pinard. But I reflected that this was only natural. Delmonico and Pinard were tried and proved, and I was an experiment.

Decorations Helped

"One of the secrets I had learned was that nothing goes farther with dainty people than dainty decorations. I put this idea into practice."

When the "Mikado" opened in town, Sherry's cornered the market in Japanese parasols, and ornaments which it was possible to use for decorating cream, and cakes. Sherry began to receive flattering orders. The new restaurateur saw that his chance of making a big success was in the novelties of service. After his establishment had become somewhat more widely known he went to Paris to discover the latest innovations, of all kinds, and from those he originated ideas for his eatables.

Moves to Fifth Avenue

Sherry's quickly outgrew the modest quarters at Thirty-eighth Street and Sixth Avenue, and the next move of the young restaurant owner was to Thirty-seventh Street and Fifth Avenue. At the new establishment Sherry was patronized by many members of the "four hundred." It was not long before he found it expedient to move still further uptown to Fifth Avenue and Forty-fourth Street.

That Sherry's program was one of catering to the ultra fashionable was apparent when it became known that the last move represented an investment of $2,000,000. Sherry's standing as a society caterer was firmly established when Mrs. Astor gave a ball at his place. Report even went so far as to have Mrs. Astor as one of the financial backers of Sherry's, but that report was denied.

Sherry's place at Fifth Avenue and Forty-fourth Street was the scene of many of the most elaborate dinners, dances, debutante presentations and other functions. In the large ball-room were given also some of the most important public dinners of that period.

Prohibition and Bolshevism

When Sherry decided to close his Fifth Avenue place of business he asserted that prohibition and war-born Bolshevism were largely the determining factors. Even if there were no question of national dryness, according to Sherry, there would have been the question of service.

"I am not at the point," he said, "where I cannot increase my staff of waiters without admitting Bolsheviki, but I will not submit my patrons to having food thrown at them."

When the contents of Sherry's were sold at auction they fetched $231,000. The Waldorf-Astoria paid $61,000 for four Lille tapestries, all Tenier subjects.

When Delmonico's closed, the friendly Sherry served the last supper from across the way. When Sherry's closed there was no ceremony. The last guest threw aside his napkin and departed as on any other evening. The spirit was no longer that of the Gallic father, but of the proudly reticent Yankee mother. But in that moment the old glory of Fifth Avenue ended.

Customs Scandal Shows Need for Strong Men as Ministers

Weak Men in Cabinet Allowed Sorry Mess to Fester—Prime Minister's Responsibility for Smuggling's Growth Not to be Denied

THERE can be no equivocation now as to what is needed to strengthen Canada's pitifully inadequate customs administration. The customs inquiry has been searching and, though incomplete, has thoroughly covered the ground it attempted to cover. It has revealed defects a-plenty in the customs department and it will now be the duty of the government to remove these defects.

Implementing the recommendations of the committee is now a matter of cabinet control. Time and time again it has been proven that government departments are like business institutions. When the right man is at the head of the department, the department is efficient. When the cabinet minister in charge shirks his responsibilities or is incapable of meeting them, the department lags in efficiency; graft sneaks in; waste becomes scandalous.

Making a success of the customs service; preventing smuggling; protecting Canadian business from crime within our gates is simply a question of putting the right minister in charge of the department; having him see his job and do it.

The customs inquiry cost Canada a good many thousands of dollars. But it was money well spent. It was money well invested, even if viewed only from the business standpoint of dollars and cents. An individual in a position to make a closely accurate estimate, states his opinion that for every dollar spent on the investigation of the customs service, at least five dollars has already been collected in duties on goods that had, up to the institution of this inquiry, been coming into Canada duty free. And, of course, as time goes on, the monetary benefit to the public treasury of the closer check upon smuggling that is now noticeable, will be multiplied many thousand fold—if the close check is continued.

Business has already been stimulated in many lines. One manufacturer of low cost jewellery states that his business has doubled by reason of the stoppage of the flow of smuggled goods to Canada. Cotton manufacturers report increased sales, particularly in Rock Island and other converging centres. Wholesalers of silk have been amazed by the improvement in their business and they have won back customers, who had not purchased a dollar's worth of honestly imported or Canadian manufactured silk for several years. These are facts; supplied from the most reliable sources.

It is fortunate that the customs inquiry extricated itself early in its course from the political atmosphere in which it started. There is good reason to believe that, when Hon. Harry Stevens threw the bomb that burst into a public inquiry, he had no idea of the immediate effect it was to have on the public. The public saw in his move a forward-looking and serious effort to clean up a nasty mess, but they also saw in it an attempt to embarrass the government. This was not Stevens' aim at all, according to his close associates. But considering the political effect, and the hairs-breadth escape of the government on the vote following his resolution, it was not at all surprising that Liberals generally and government members in particular, were inclined to be resentful and to throw obstacles in the way of a full and open inquiry.

Later, though, members on both sides of the committee, of every political complexion, gave the fullest possible co-operation. The political atmosphere, fortunately, changed to one more judicial. The action of the Conservative chieftains in declining to make the customs probe the key issue in the West Middlesex by-election, preferring rather to keep it clear of politics until the committee's work was over, was constructive and should not be forgotten.

Liquor Traffic Broke Morale of Customs Officers

To any unbiassed observer, it is apparent that the government, in any early election, will be hard put to it to justify its record in the administration of the customs subject. Smuggling has been going on for many years; but it has reached its pinnacle during the past few years, coinciding—it is the misfortune of Mr. King—with the present regime.

But the co-incidence of large scale smuggling and the King administration is only partially significant. Those behind the scenes state that the growth in smuggling was a direct result of the break-down in the morale of the customs service as a result of the liquor traffic. The liquor traffic, with its colossal scale of operations, its huge profits, its temptations for graft; developed by organized gangs of cold, determined strongly backed and heavily financed crooks, who were the willing servants of wealthy Canadians and Americans, many of them powers in politics, got beyond the control of the ordinary preventive service. The customs preventive services, in both the United States and Canada, broke down under the strain of the liquor traffic's evil influence. When the men who were making smuggling an industry began to widen the scope of their operations to include many other commodities, the service was unable to cope with the situation. Politicians, between the deep sea of their financial supporters among the smugglers and the devil of their harder job, did nothing.

There were too many ports and too few preventive officers. The law was weak and full of loop-holes. The service was honeycombed with politics.

Anti-Smuggling Measures Were Not Provided

But whether the commencement of the smuggling industry can be laid at the door of the government that is in power to-day, the direct inescapable blame falls, not upon the Liberal party, but upon its leader personally, and some of his ministers, for having failed to bring the disgraceful situation under control. And there is incontrovertible evidence that measures that might have been taken to bring smuggling under control were studiously avoided; rather, smuggling was allowed to continue because powerful friends of the government were making profits out of the smuggling. The Baldwin-Bisaillon-Bureau correspondence, read into the evidence of the inquiry, was one of the most amazing groups of letters ever brought before the public. Baldwin, political leader, wrote to Bureau, then minister of customs, complaining about the activities of the customs preventive officers around Rock Island and asking that they be recalled. He stated, too, that the Tories were after the county and were in danger of getting it.

Of course, Bureau could not allow a county to be lost by his party for the sake of a few dollars of customs revenue. So he wrote to his friend, Bisaillon, notorious chief of the preventive service at Montreal, asking him if he could not recall the customs officers, as Mr. Baldwin asked. And Bisaillon wrote back saying he would talk it over with Cardin, another member of the cabinet. He intimated that he considered the question very delicate and also admitted that he believed that in the interests of the party it would be preferable to discontinue watching the frontier.

This was in March-April, 1925—over a year ago and months before the last election. However, it was not until the time of the election that Bureau was dropped by the government in its cabinet shuffle. It was after the election that Bisaillon was dismissed.

Premier King Cannot Dodge Responsibility for Situation

In the final analysis the blame for the continuance of the condition on the border must rest upon the prime minister, Rt. Hon. W. L. Mackenzie King. The premier can hardly dodge his responsibility. It is now nearly three years since R. P. Sparks, of Ottawa, organized his group of business men to combat smuggling. They set private detectives to work and uncovered an infamous trail of crime, involving smuggling, theft, graft, bribery, and prostitution, all linked not only with out-and-out crooks, but with officers of the customs department and politicians in high places. Sparks was in constant communication with the prime minister and members of his cabinet. The information he obtained was equally available to the cabinet.

Was smuggling stopped as a result of the facts uncovered by business men and laid before the government? It was not.

Some action was taken by the government about a year ago when an act was passed to impose jail sentences upon commercial smugglers, but even this act was nearly killed in the senate due to the lack of support from the government leader there. But there is no evidence that anything was done beyond the passage of this act to stem the tide of smuggled goods. The act was virtually dead as soon as it went on the statute books. The government's friends, as the Bureau-Bisaillon-Baldwin correspondence and other evidence shows, were not burdened with too great interference in their profitable business.

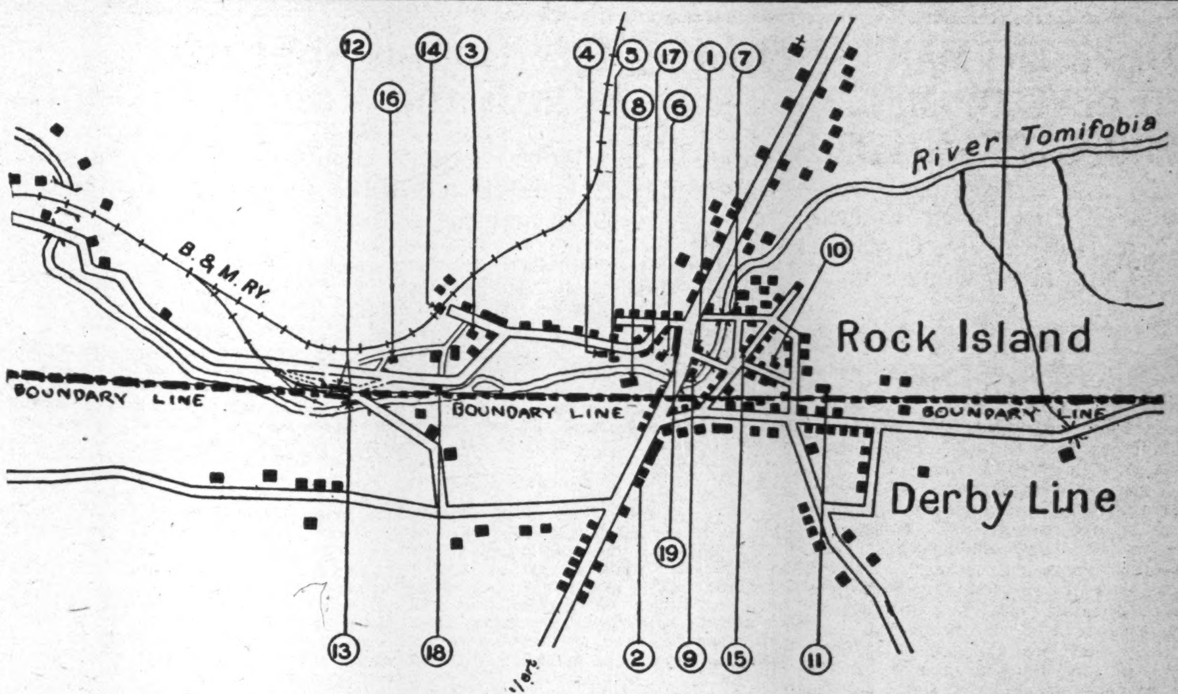
Smuggling reached its highest peak in the months and weeks preceding the election on October 29 last. Bisaillon, master crook of the service, was not dismissed until it was common knowledge that Mr. Stevens intended to press for an inquiry into the service. Dismissal of Bisaillon enabled Hon. George H. Boivin, who has succeeded to the mess left by Bureau, to pose as the sharp-eyed watch dog of the service. But to the observer on the side lines, the spectacle of Boivin sending Inspector Walter Duncan to Montreal to get the necessary evidence to warrant dismissal of Bisaillon, after several years of practically unhampered smuggling, has its elements of humor. It looked like a clear case of trying to beat Mr. Stevens to it.

The whole sordid story reveals the power for evil that lies in weak governmental leaders. The constructive work in the post office department, of Hon. Charles A. Murphy; in the finance branch, by Hon. James A. Robb, and in trade and commerce by Hon. Thomas Low, has been sharply in contrast to the ineffectual work of Bureau and Boivin in the customs department.

The lesson of the customs probe is that the public can not expect from cabinet members any influence, authority or ability that is not in their make-up. Bureau and Boivin, being short on business sense and long on politics, gave an unbusinesslike and highly political administration of their department, and Canada suffered. King, lacking in personal courage, allowed them to manhandle the public services as they saw fit, and neglected his very apparent duty to protect Canada's honor and revenue.

Two men came out of the customs probe with the public's regard for them much enhanced. They are Hon. Harry Stevens and R. P. Sparks. Many more men have been shown up in their true colors, as thieves and consorts of thieves, and there are some men who have been made to stand out as sorry figures, weak and incapable, and one of these is Mr. King.

Smugglers' Paradise at Rock Island



Rock Island, in Quebec, and Derbyline, in Vermont, are virtually one community, and this has been one reason for the growth of smuggling at this point, as revealed at the customs inquiry.

The map shows the following "points of interest" that have been mentioned in the various sessions:

1 Canadian Customs
2 United States Customs
8 Jenkins Overall, Limited
4 Peerless Overall Company
5 Telford and Chapman
6 J. B. Goodhue Company
7 R. and G. Manufacturing Company
8 Lay Whip Company
9 Rock Island Overall Company
10 J. A. Gilmore Company
11 Globe Suspender Company
12 Freight Sheds, B. & M. Railway
13 Jenkins' U. S. Warehouse
14 Passenger Railway Station
15 Rock Island Post Office and Canadian Customs House
16 Telford Brothers Garment
17 Reliable Garments, Limited
18 Butterfield Manufacturing Company

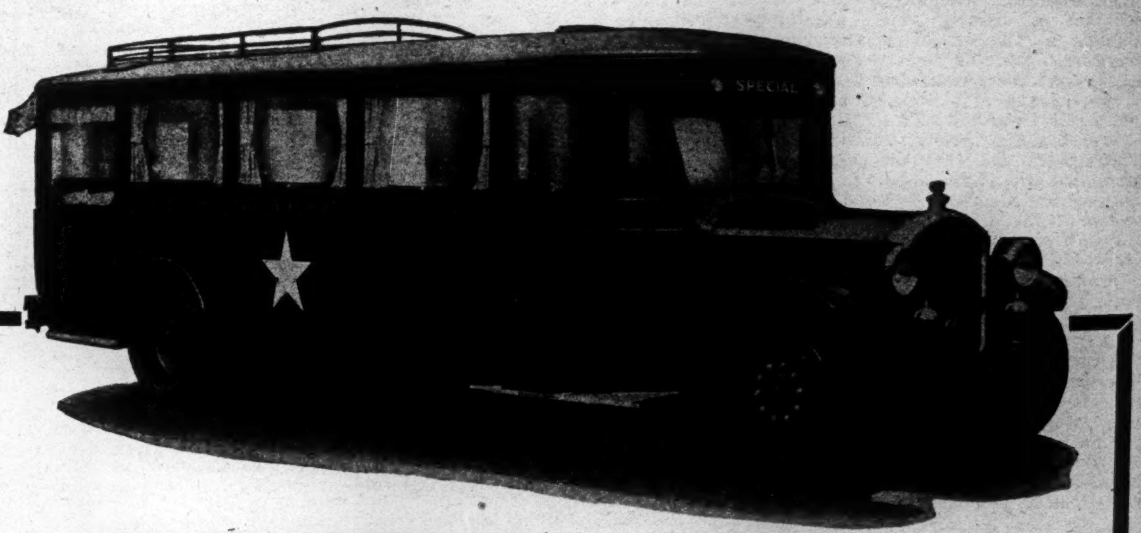
Sam Vauclain Sees Big Trade With New Russia

NEW YORK.—Samuel Vauclain, president of the Baldwin Locomotive Works, who returned recently from a tour of Poland and Russia, says the "United States of Russia" is a certainty of the future, and a development that would force this country to look to its laurels.

"Russia," said Mr. Vauclain, "must recognize one principle. She must make her peace with the United States government; she must recognize her past debts and must recognize also property rights. She is rapidly drifting into our form of government. You may call it a democracy, but I call it the greatest of autocracies, because it is a government ruled by the common people.

"We are going to find a way to do business with Russia. Russia will be ours for business if we can find a way to furnish her what she requires for development, and that is chiefly money."

Fields were yielding, the people were not "merely living off the government and doing nothing," the cities were prosperous, and the railroads, in some instances, were in better condition than most railroads in this country. Vauclain declared Russia needed $1,000,000,000 to put transportation in proper shape.



Gotfredson

ABOVE is shown a Gotfredson 50 B-29 25-Passenger Parlor Car. Bus patrons and operators demand safety and comfort — Gotfredson has reduced over-all height without sacrificing the comfort of passengers moving in and out or standing in the aisle. Safety is assured by three independent and separate types of brakes. Surplus power and freedom from annoying vibration invite the critical automobile owner to ride.

Maintenance of schedules is of supreme importance. By using Gotfredson Buses you enjoy the co-operation of the manufacturer and his road engineers and inspectors supervising the correct inspection of the unit to the satisfaction of bus patron and owner. There are service facilities at all main points maintained by the Company, giving perpetual twenty-four-hour service.

A line from you will bring expert advice and statistics regarding Bus transportation. Why not avail yourself of this valuable free service!

A few owners of Gotfredson Bus Fleets.

Hamilton Bus Lines
White Star Transit
Maple Leaf Bus Lines
Metropolitan Bus Lines
McLellan Transportation Co. Limited
Blue Bus Service
Red Bus Service
And many other Fleet and Single Bus Owners

Gotfredson Corporation Limited
WALKERVILLE, CANADA

Factory Branch: 242-244 Spadina Avenue, Toronto
Quebec Montreal Ottawa Hamilton
London Winnipeg Vancouver
From Coast to Coast

News of the Mines: A Department for Executives and Investors

Conducted by DANIEL E. CUSHING, Mining Editor, The Financial Post.

COMPETENT MAN TO DEVELOP MINE PROPERTIES NEEDED

Lack of Intelligent Operation Has Proven Costly to Numerous Concerns

There is a dearth of competent men in Northern Ontario to take charge of small mining operations.

The head of one fairly well financed operation recently said they would start work as soon as they located a competent man to take charge; this was proving a problem.

With so many new operations springing up, men sufficiently skilled and experienced to take control of exploration and development are steadily becoming scarcer. As the president of one company remarked recently, the most well intentioned and clean run operation, may be completely wrecked and given a black eye, if the man in charge of the actual operations falls down on the job.

What Management Means

How many people, in purchasing mining shares, look into the question of management. Yet there are numerous instances of large sums of shareholders' money being wasted. Just recently attention was called to a case where the manager drove a crosscut close to 1,000-ft. at a cost of between $15 and $20 a foot, looking for a certain mineralized condition, only to have it revealed that the condition sought was right in the station at the shaft where the crosscut was started. This crosscut will not be a complete waste effort, the company hopes, but it was away ahead of its time, to say nothing about the chances that were taken of wrecking the operation by such a call on its funds.

The writer recently made some inquiries in regard to the costs of a small operation in one of the gold camps and found that these had been cut nearly in half. The explanation was mis-management. The late manager had maintained twice as many men on surface as he had actually working underground.

Cases of Waste Effort

One of the large Kirkland Lake operations is known to have spent a material sum of money in driving along a barren vein for a very considerable distance, only later to find that the real pay streak had been faulted and was paralleling the barren section a few feet away.

A similar instance was that of a silver operator who drove for 700 feet on a barren vein, passing through a number of small cross stringers. None of these were tested out, but at the end of 700 feet, one of the holes went a little off and the shot gashed out the side of the drift to reveal a high grade vein. It was ultimately found that this vein has paralleled the barren vein, just a foot or so removed, for the whole length of the drift.

Tough Oakes Burnside has been cited as a case where there was considerable waste effort. Following a change in management it was stated that much of the stoping had been carried to such a width that the dilution of low grade made the whole of no commercial value. Vipond stands out as a case where real management might have saved shareholders a great deal. The present operation, the first real success, is the sixth to have charge of the property, yet Dr. Bell located the best vein on the property right on the surface. Night Hawk has also been cited as a horrible example, but there is some doubt as to whether or not the criticism of the early management has been fully justified. Certainly recent developments have not proven much better.

Built a Mill

The real criticism of Night Hawk is to be levelled at the building of a mill when there was absolutely no justification for one. What has always been a subject of strong criticism was Canadian Associated Goldfields, in that while many contended that the property was worthless; that properties of much better promise could be purchased cheaply and at a time when the company had over $1,000,000 cash in the treasury, the company went ahead spending money on the old Larder Lake claims. To-day the company is in a weak position and has little to show for the tremendous sums spent.

One might go on and on, pointing out cases where there are evidences of lack of intelligent effort in the directing of mining exploration and development and which resulted in heavy losses and in many cases forced reorganization.

Men who are supposed to be competent to direct small exploration companies are commanding salaries of $250 to $350 monthly and their board. In one case the president informed the writer that before he found out that the man in charge was incompetent or not looking after the job, he had caused them a loss of $3,500 besides the $275 monthly wage which he received and which proved an absolute waste expenditure.

MINING STOCK QUOTATIONS

Week Ending June 15

	High for wk.	Low for wk.	Close June 15	Close June 8	Sales for wk.
Amulet	1.36	1.23	1.26	1.25	72085
Apex	3¼	3¼	3¼	3	1000
Area	33	25	32	25	20750
Argo. Cons	23	21⅛	21½	22¼	49850
Atlas	2½	2	2	2¼	3500
Baldwin	2	1¼	2	1½	38800
Barry Holl.	46¾	43	44	46¼	70700
Beaver	76	72	76	72	44500
Bidgood	5¼	4⅞	5	6	9900
Buckingham	2	2	2	3	2500
Bourlamaque	10.00	9.85	10.00	9.85	3170
Chaput H.	8	7¾	8	8½	4500
Can Lorrain	88	85	86¾	84½	62400
Capitol	37	34	35½	37	29100
Castle Tre.	1.38	1.35	1.37	1.37	27100
Clifton	2⅛	2	2	2	2300
Coniagas	3 50	3.25	3.25	3.40	600
Coniar'm.	3.25	3.25	3.25	3.50	300
Col. Kirkland	3	2½	2¾	2⅝	25400
Cons. Smelters	215½	210	214½	216	11321
Cons. W. Dome	14¾	14¼	14¼	14⅝	77450
Crown Res.	12	10	10¼	12	88600
Dome Mines	13.90	13.50	13.60	13.85	4185
Don Rouyn	35	34	34⅞	35	1700
Dupuy	36	33	35¾	31½	12500
Everett	6¾	6	6¼	6¾	14800
Gold Hill	50	47	48	49	77005
Goldale	27	25	26	27	17600
Gold Reef	2	2	2	2	6900
Hollinger	20.00	19.25	19.90	19.25	5137
Kirk. Hunton	17	15	15	17	5850
Indian	5½	5	5⅛	5½	7500
Int. Nic. com.	36¾	36	36¾	36¼	940
Keeley	1.48	1.46	1.46	1.47	12775
Keora	6½	3	6½	5⅞	28800
Kirk. Lake	1.20	1.09	1.10	1.12	39525
Lakeside	4¼	3	3½	4¼	43500
Lake Shore	11.50	11.25	11.45	11.30	3500
La Rose	11	9½	9½	10	9650
Lorrain	3¾	3⅛	3⅛	4	27500
Laval, Que.	27	26	26½	26	25025
McKinley	17	15	15	15½	18500
McIntyre	25.70	25.25	25.40	25.85	2480
Millcrest	11	10¼	11	11	5000
Mining Corp.	3.58	3.45	3.49	3.55	9213
Moneta	15	15	15	15	500
Newray	35	32½	33	32	5100
Nipissing	5 50	5.30	5.35	5.55	2060
Night Hawk	7	6	6	7	10200
Noranda	15.30	14.65	14.85	15.35	16517
Ophir	2½	2¼	2¼	3	4000
Pete. Lake	4	2¼	3¾	2½	51200
Porc. Crown	5	4	5	5	3200
Premier Gold	2.18	2.15	2.17	2.15	6725
Preston	5½	4½	4½	4¾	13900
Teck Hughes	3.65	3.53	3.64	3.53	52917
Rouyn	3¼	2	2¾	2½	21100
Timiskaming	14	13	13	13	3000
Tough Oakes	38¼	37	37¼	37¼	27500
Stadacona	43¼	42	42½	41¾	22500
Vic. Silver	7½	7	7	7½	19500
Vipond Cons.	1.78	1.62	1.78	1.61	69076
Wasapika	1¼	1¼	1¼	1¼	1000
West Tree	2¼	2¼	2¼	2½	4500
Wettlaufer	6¾	6	6	6	13500
Wright Har.	8.42	8.25	8.25	8.42	1000

Howey Ore Bodies Maintain Width and Values at Depth

Sixteen Drill Holes About Completed—One Entered Barren Surface Section and Revealed High-grade—All Difficulties Are Smoothed Out

The Dome-Howey Red Lake situation has cleared again. J. Hammil, manager of the Howey syndicate has been successful in his quest for the fullest details in regard the diamond drilling which Dome has been doing. Douglas Wright, Dome geologist, who is in charge of the Howey drilling, came to Toronto over the week end. He did not reveal the full details of the values which his effort has brought to light, but sufficient is known to indicate that the Howey property is measuring up to expectations.

Sixteen drill holes have been sunk, most of them to around 300-ft. They checked fairly well with the widths and values on surface but what is regarded as most significant is that in one case where there were no values on surface the drill brought to light very high values from under ground, showing that the mineralized zone is more extensive than on surface.

Diamond drilling was started from the McIntyre boundary and is being extended east. Only a portion of the property which extends one and a quarter miles along what is thought to be the main break of the camp has been drilled, but it is believed that already Dome has placed enough ore in sight to ensure going through with the deal. The Howey Syndicate has 5,000 units outstanding. The deal with Dome calls for the payment of $500,000 cash and one-quarter of the stock in a $5,000,000 company. Already the Howey has distributed $7 per share and there is $93 remaining to be paid over the next year or year and a half. It will take perhaps $3 for expenses and net unit holders about $90. In addition each unit, on the distribution of shares will get 250 shares which at the present market for the units, $220, less the $90 cash to be paid, brings a share of the Howey mine stock at 60 cents per share.

London Interests to Take Up Central Manitoba Option

Central Manitoba mines, which will operate the W. A. D. properties at Bull Dog and Long Lake, Central Manitoba, will be capitalized at $4,500,000. There are two groups of properties totalling 1,200 acres and John Taylor & Sons, London, through their Canadian subsidiary, Anglo-Canadian Mines, have taken a 49 per cent. interest in the company. This was optioned some months ago and it is now understood that a sufficient measure of success has been met with to justify the taking up of the option which has until July to run.

DEAL IN MANITOBA

Shirley Cragg, former president of Lake Shore has optioned the Montcalm claim, Rice Lake, Central Manitoba and he in turn has optioned it to a company which has sent R. Bryce in to make an examination. Geo. Glendenning is associated in the deal.

Testing Out Minto and Cooper Groups

Huronian Belt is carrying on two explorations under its subsidiary, Pioneer Syndicate, in the Goudreau country. The Minto has been equipped with an excellent set of camps and equipment. Following a diamond drilling campaign, it is the intention to carry on lateral work at 80-ft. vertical depth. The incline shaft is down 130-ft. Diamond drilling is to be undertaken on the Cooper claims to see if they stand up as well as the Minto.

Tonapah Makes Good on Second Gowganda Property

Tonopah Canadian Mines Co., a Canadian subsidiary of the old Tonopah of Nevada, controlled in Philadelphia, has met with a measure of success on the Morrison property in Gowganda, similar to its success on the nearby Walsh. A winze sunk from the 300-ft. level is reported 20-ft. in high grade ore. Tonopah should have its mill on the Walsh operating in August.

Keora Re-organization is Delayed Until June 29

Sufficient proxies were not presented at the meeting of Keora Mining Co. this week to allow the directors to take a vote on the selling of the assets to a new company, so the meeting was adjourned until June 29. It is understood that the directors were about 150,000 shares shy the necessary two-thirds of the issued capital. It is likely that work on the Calcite Lake property, Gowganda, will be held up until after the meeting is held.

STRESSES MINING AREAS

MONTREAL.—The firm of Nesbitt, Thomson and Company, in their current issue of "Investments," make an interesting point about the development of the northern mining areas of Canada. The market letter says that trade with the north, including supplies equipment, contribute something over $100,000,000 per annum to the gross revenue of the older sections of the two provinces. Already the return from investments in power, mining and pulp and paper enterprises, by way of interest and dividends, has been substantial, and the mines of Northern Ontario alone have paid dividends of more than $141,000,000.

NEW CANADIAN GEOLOGICAL REPORT

The Geological Survey has published a revised edition of the Geology and Economic Minerals of Canada, by Dr. G. A. Young. Although the author makes for it no more ambitious claim than that it is intended to serve as an introduction to the study of the subject, the book contains a great amount of detailed information condensed in readable style on the geology of the mining areas of the country.

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SIXTH COMPANY ON VIPOND PROPERTY NOW NEARING GOAL

Shareholders Can Now Look Ahead to Possibilities of Dividends

Vipond Mine shares moved up sharply this week to above $1.80. This is because of the enlarged mill going into operation. The advance has been expected. Vipond has but $2,000,000 capital stock with shares of $1 par which puts a valuation on the mine of $3,600,000. The last report did not show ore reserves to justify such a price, but it is believed that operations since have placed a lot of new ore in reserve. Dr. Bell is known to have met with considerable success in development of the upper levels as well as in work below the 1,000-ft. level, and at the same time has been extending out to new parts of the property. There are many who believe that deep operations on the Vipond in the vicinity of Hollinger boundary will reveal that many of the ore bodies from Hollinger extend across the line.

The new mill of Vipond is designed to reach 300 tons. On half this amount the company was producing close to $50,000 monthly but exploratory and development charges were heavy and so profits were low. However, it is believed that the increased tonnage will place a much larger portion to profit and loss so that there are now hopes that the time will soon come when the shareholders can look forward to dividends. In this connection it is interesting to note that this is the sixth company to have the handling of Vipond. The property was staked a few days before the Hollinger but the operators, to put it mildly, did not have the same good fortune that attended the Hollinger operation. Lack of funds, of course, was one of the real drawbacks, resulting in companies selling their stock for what they could get and rarely ever getting a price that made the making of a mine a possibility. The last sale of stock by Vipond to the public was at 40 cents.

Lithia Deposits Found In Manitoba Important

Lithium deposits which are believed to stretch from Lake of the Woods in Ontario to Rice Lake in Central Manitoba are particularly promising, according to Prof. J. S. Delury, who made an examination in Lac du Bonnet and Point du Bois districts. A sample shipment of lithium from a point on Winnipeg River, 8 miles north of Point du Bois has been sent to Great Britain and the systematic opening up of the mine is now proceeding. The professor also encountered lithium phosphate called amplygonite and also a find of cassiterate, a tin oxide.

Dr. J. F. Wright, geological survey, expresses the opinion that Manitoba will soon be in a position to produce large quantities of lithia ore. One of the main uses of lithia is for medical purposes.

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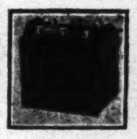

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Diamond Drill Section To South of Timmins

Porcupine-Kirkland Mining Co. is planning to undertake a diamond drilling campaign on its claims in Cabot Tp., 45 miles south of Timmins. This is regarded as an interesting area which has never been properly tested out. It is understood that there are several quartz domes on the company's group of 11 claims and that considerable surface work has been done on these. Following an examinaton, Louis D. Huntoon, geologist, has recommended that drilling be done. It is proposed to place a contract for 5,000-ft. The company has two other groups of claims but will concentrate on the one for the present.

GOLD-COPPER AREA OF QUEBEC ACTIVE

Pure Chalcopyrite Found in Prospecting Shaft in Clericy Twp.

Activity is becoming much greater in the Quebec area, especially in Boischatel, Montbray, Duprat, Dufresnoy, Rouyn and Clericy Townships, the gold-copper area. Little news is coming out from the gold section farther to the east.

Nipissing is reported to have a gang of 25 men working on its group in Montbray. Drilling has halted for a time to allow for more surface work being done. There is talk of several new deals for claims in Boischatel and that township is now solidly staked. Marclay Mines, with $3,000,000 capital is just announced. It has three groups of 18 claims close together located about a mile south of Alderson Mackay. Three other large groups have ben taken over by interests said to have a Maritime connection.

There are some good reports from the Clericy section. Dr. Robert Harvie says Archean Mines is making good progress on its Cyclone Rapids claims. A fifty foot shaft sunk on the corner of a large hill on the property has given information that has removed any doubt as to whether or not the deposit was a replacement one and not a fissure vein. Replacement deposits have much greater possibilities in size as well as richness. At one point several tons of 20 per cent. copper ore were found, portions of which were pure chalcopyrite which is 33 per cent. ore and worth $93 per ton. A magnetic survey of the whole property is being made and some important information is expected from this.

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News of the Mines

KEELEY RESERVES SHOW AN INCREASE SINCE 1925 REPORT

Dr. Bell Outlines to Shareholders Many Favorable Developments

Keeley Silver mines have done much better in the hunt for new ore. Dr. J. MacIntosh Bell, managing director, told the shareholders at the annual meeting this week. His review of the mine's position provides ground for a new optimism as to the outlook. Ore reserves are higher, though it must be noted that the ore is milling grade, not high grade. A softening note is noticed in the remark that there is no immediate intention to reduce the monthly production. Dr. Bell said:

"Since the annual report was written, condition of the Keeley has shown distinct improvement. I know that you will be pleased to receive a preliminary and naturally tentative statement of the results obtained within the three and a half months that have intervened since the closing of the financial year.

No New Estimate

"As regards what may be described as new ore, let me say that a number of ore shoots have been found in various parts of the mine, which are now in process of development, not yet sufficiently advanced, to give any definite figures as regards actual quantities of ore. For example, on what is known as the right branch of Wood's vein, at a depth of 620 feet (reached through a winze in the southern part of the property) a shoot carrying ore of a value of 300 ounces over 4 inches for a length of 110 feet has been found. Some idea of the continuation upward of this shoot has already been obtained, but none as yet as to what is equally important, its downward extension.

"In the western workings, reached through a winze about 800 feet westward of the drift on Wood's vein at the 560-foot or 8th level, the 9th, 10th, and 11th levels have been opened up on the 16-28 vein system, at 660 feet, 740 feet, and 820 feet. Shoots of ore have been developed on No. 16 vein during the last few years, and some of these are now in process of extraction. Owing to shaft space difficulties, No. 28 vein, however, at these horizons has remained unexplored until recently. Already at the 9th level three shoots of ore, aggregating 141 feet long and averaging 60 ounces over 42 inches, have been uncovered, and lateral work is still in progress at this horizon. At the 10th level, work is not yet nearly as far advanced as at the horizon above, but one shoot averaging 37 ounces over 42 ins. has already been developed for 54 feet. The downward extensions of the other two shoots have not yet been reached. Exploration at the 11th level has so far been limited to No. 16 vein, but a crosscut is being extended to get below No. 28 vein.

Substantial Increase

"Apart from the discoveries of what may be called 'new' ore, extensions of old well-known ore shoots have given favorable returns. While I want to repeat that our information is not sufficient to give exact figures, it now seems apparent that the figures for ore-reserves indicated in the report before you, has not only not been diminished during the last few months, but has actually been increased by a substantial amount. Meanwhile, of course, as you know, we have been continuing our steady monthly production, which, I may say, there is no immediate intention of reducing.

Was Not Favorable

"You will remember that at a special meeting of the shareholders, held last autumn, permission was given the board of directors to acquire interests in outside properties, if such seemed desirable and to the advantage of the company. Acting on this permission, exploration, in conjunction with the Huronian Belt Company, was undertaken on a property near the Keeley, but, after an expenditure of approximately $7,000 was made by each company, the option was dropped. Further expenditure seemed unwarranted. The board will not lose the opportunity of considering other properties, but, needless to say, only if the chances for remunerative results seem commensurate with the risk involved.

"The Keeley mine remains in a flourishing position and we are far from having exhausted its possibilities. Obviously the cost of mining has to increase as our workings become farther and farther distant from the only shaft, but everything is being done by your very efficient staff at the mine, about whom I am glad to have the opportunity of speaking again in warmest appreciation, to overcome the difficulties presented, and to improve the condition of the mine."

Mining Dividends

The dividend payers among the mines and yields follow:

Mining Stocks	Div. Rate	Yield
Dome Mines	2.00	14.65
Hollinger	20.80	5.3
International Nickel	2.00	5.55
Keeley	24.00	6,12
Lake Shore	40.00	3.09
McIntyre	20.00	4%
Mining Corp.	.50	14%
Nipissing	12.00	11%
Premier Gold	.32	14.6
Teck Hughes	10%	3%
Wright Hargreaves	10 x 12½	2.70

TECK-HUGHES MILL

Pres. C. L. Denison, Teck-Hughes, is visiting the property. He estimates that the question of cheaper power will be the guiding factor in the company's enlarged mill plans. Underground work is showing better results at depth on development than the diamond drills indicated.

START NEW GEOLOGICAL MAPS

The Geological Survey of Canada is sending seven parties into Timiskaming and Abitibi areas of Northern Quebec. These whole sections will be mapped and will require four years' effort.

Central Manitoba and Red Lake Rly. Outlook

Central Manitoba and Red Lake both seem assured of rail transportation in the near future.

C.P.R. has W. R. Brigstock, mining engineer, in Central Manitoba field examining the developing properties in there. If his report is favorable it is understood that the C.P.R. will extend its line, perhaps by taking up Manitoba Power's trolley line, to Lac du Bonnett.

Boston promoters of the Red Lake railway got their measure past the railway committee only to have it killed in the Commons. The feeling is general that if there is to be a line into Red Lake the C.N.R. is the logical road to build it. In fact it is believed that some such step is already under consideration.

MUCH NEW ORE IS BEING OPENED ON CANADIAN LORRAIN

Distinctly Good News, Says Dr. Bell of New Development

Canadian Lorrain has materially added to the extension both up and down as well as laterally, since the annual report was published. Details presented to shareholders at the annual meeting show the operation to be coming along fast from a development point of view, while a good start has been made on the mill, which should be running by fall. Dr. Bell said:

"There is comparatively little to add to the information given in the report for the year ending February 28, 1926, which is before the meeting to-day, but such as there is, is distinctly good news.

"Since writing the report, Shoot 'C,' on No. 5 vein, has been cut at the 150-ft. level, vertically 100 ft. above the 250-ft. level. The shoot, which had a length of 165 ft. at the latter horizon, and an average value of 40 ounces over 42 inches, has already been proven for a length of 67 feet at the 150-ft. level, with an average value of 105 ounces over 48 inches. Westward of 'C' shoot, at the 150-ft. level, the upward continuation of 'B' shoot (which was 28 ft. long, with 52 ounces over 21 inches at the 250-ft. level) has very recently been reached. This shoot at the 150-ft. level is already 10 feet long, assaying 227 ounces over 31 inches. A winze has been sunk below the 350-ft. level on 'E' on No. 17 vein. This carried good milling ore—averaging about 80 ounces over 20 inches, with patches of high grade to a depth of 48 feet below the 350-ft. level. The winze is being deepened to about 70 ft. below the 350-ft. level, where a new horizon will be opened. It is believed that 'E' shoot has pitched to the northerly and has hence passed out of the winze near the bottom.

Start on Mill

"The construction of the mill has been delayed by the unusually late season, but the foundations are now being excavated and material and equipment for the new plant is beginning to arrive. A new and effective shaft headframe is now being erected.

"The Canadian Lorrain plant—buildings, mining equipment, etc., is this thoroughly efficient one, and we hope with the completion of the mill in the autumn to be in a position to add a regular and considerable amount to the silver production of Northern Ontario. While our efforts up to the present have been directed entirely to the blocking out of ore shoots, and in no sense to the extraction of high-grade material, we have, nevertheless, in the mere process of development gathered together approximately 30 tons of very high-grade material which is now being shipped to the smelter.

"Apart from the various shoots of ore I have mentioned, the property in its network of veins, shows many other occurrences of silver ore, some of which have not yet been explored. Altogether I think we are justified in taking a very sanguine view of the property's future."

Crown Reserve Finances Low; Property is Closed

Crown Reserve has suspended operations on its Larder Lake property, pending new financing. In all, it is estimated that to bring the property to the proven stage another $200,000 will be needed, and, after that, mill construction will have to be taken care of. It is understood that of late some fair results have been encountered in the underground work.

Copper Sulphide Found on Toronto Red Lake Claims

Major Cunningham Dunlop, who is handling the Toronto Red Lake and Dunlop Syndicate operations in Red Lake, sends out word that on the former property an interesting copper sulphide discovery, favorable for the finding of gold, has been uncovered. Mr. McKenzie, a geologist, made the discovery, which is regarded as of great importance.

The Dunlop Syndicate will meet next week. The company has 30 claims, and for these 8,800 shares have been issued. It is understood that Homer L. Gibson and Co., who financed the operation, have paid over to the syndicate about $70,000, which will take care of all the exploration charges.

Mining Inquiries

Area Mines

C. A., Montreal.—I have been urged to buy Area Mine shares. What is its position, prospect or proven?

Area Mines has a lot of acreage in Quebec on which a limited amount of work has been done. It is still in the prospect stage.

West Dome

Montrealer.—I have been holding a block of West Dome for a time. What is its position?

West Dome is a gamble. It is producing and paying its way but that is all. If it can uncover a large profitable ore body it might give the mine a chance.

Mother Lode

Reader, Alberta.—Back in 1909 I purchased some stock in a company called Mother Lode that was being started. Have you ever heard of it?

The only Mother Lode Co. we can find any record of as being in existence in 1909 was an old Cobolt proposition which was quite short-lived.

Teck-Kirkland

Reader, London. — I have shares of Trenton Oil, Calgary, Lone Star Oil, Denver, and Teck-Kirkland. The first two, I guess, are dead. How about the last?

You are likely right in regard to Trenton Oil and Lone Star Oil. Teck-Kirkland is a prospect that has a chance but on which they are not making much progress.

Crown Reserve

W. F. S., Quebec.—Would you regard Crown Reserve shares as a good speculation at the present price level?

The future of Crown Reserve is uncertain from a mining point of view and also from a financial, as its position is not strong. For that reason we do not consider the shares a good speculation. The market position of the operation indicates that.

Castle Trethewey

Reader, Beauharnois.—Some time ago I bought 100 Castle mine shares at $1.37. How do you regard this venture?

Castle Trethewey you purchased close to the recent low level. The shares are well regarded. The ore reserves of the mine are greater than any other silver proposition in the north. The shares have prospect of going on a dividend basis in the next 6 to 12 months.

Keeley

J. A. C., Montreal.—I purchased some Keeley stock at $1.44. What do you think of it as a hold?

Your Keeley shares are in a slightly different position. The recent statement showed a severe decline in ore reserves which, if continued, will ultimately jeopardize earnings and the dividend. New exploratory work now going on therefore means much to the company. You had better watch the monthly statement published in The Post closely.

Lake Shore

Reader, Saskatchewan. — Some time ago you said there were chances of Lake Shore increasing its production by July. What is the outlook now?

Lake Shore has plans under way to increase the tonnage to 600 daily. The mine is opening out well and they are busy at present driving down to 1,400 ft. We have an idea that the ushering in of the increased tonnage may be dictated by the measure of success met with in opening up these two levels, 1,250 and 1,400 ft.

Steel Consolidated

Reader, Ottawa.—A client has asked us in regard the firm that took over the affairs of L. R. Steel. Could you accommodate us with information?

Steel Consolidated is the firm which took over L. R. Steel assets. They represent shareholders who put up additional funds to secure the assets and nurse them along. Their main hope is in the chain stores, some of which are doing fairly well. The operation may work out fair in the end—at least, we hope so, but it's going to be a long, uphill battle, with competition getting keener and keener.

Waite Montgomery

Reader, Viking.—What is your opinion of the shares of Waite Montgomery? What Red Lake units appear to have a good chance from the ability and integrity of those in charge?

Waite Montgomery shares are not on the market and may never be offered to the public. A small interest in the venture was recently split up and marketed. It struck us that, from the limited knowledge there is of the property, the price was high.

Red Lake Syndicate shares are a gamble and one guess is about as good as another. The outstanding one is Howey, which has optioned its property to Dome.

Mining Corporation Attractive

L. R. C., Alberta.—What is your idea of the better class of mining stocks, especially those on a dividend basis and likely to show an appreciation in price? How about Mining Corporation? Also those likely to show appreciation though not on a dividend basis.

Mining Corporation stands out among the Dividend paying mines as an operation with an excellent earning future ahead of it and at the same time has interesting speculative possibilities. Practically all the other dividend payers are in a good position with, perhaps, the exception of Dome. The future of Keeley and Nipissing is speculative

Noranda, Castle, Vipond, Kirkland Lake Gold are good looking operations not on a dividend basis.

Long Distance Speculation

W. G., Moncton.—I have been rather unfortunate in getting loaded with many cheap mining stocks which have netted me nothing but losses and troubles. Could you advise in regard to speculating in the mines as my experience so far, being such a distance from the market, has been anything but satisfactory.

At your distance from the market you would do well, if you wish to speculate, to specialize in stocks like Mining Corporation and Noranda, or some of these good stocks with real merit and hold them. If you bought these through your bank, the interest charge would not be so great, and if you wanted the open account feature you could doubtless borrow on them.

Has Been Badly Advised

Reader, New Brunswick.—I hold Atlas, Goldale and Canadian Matachewan. I am advised to sell them all for what I can get. I purchased Vipond $1.90 and Canadian Lorrain 81. Was called for more margin and told the broker to sell. Was also advised to buy Barry-Hollinger and did so and had the very same experience. What should I do?

Your Atlas shares have a questionable future. Hold on to Goldale, its possibilities are excellent. You have got to hold Canadian Matachewan. You cannot market it. Some day those share will be of real value. You were unfortunate in your Vipond and Canadian Lorraine in that you bought at the top. Both have real merit and should do well in the next six months. Barry Hollinger has its mill running but its success has not been startling by any means.

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MONTREAL

Loans, Laws and Losses in the Province of Alberta

By A. B. HOGG.

The following article on the mortgage situation in Alberta, has been sent to The Financial Post by Thomas Bradshaw, general manager of the Massey-Harris Co. The author is A. B. Hogg, a Lethbridge lawyer and brother of A. O. Hogg, president, Hogg & Lytle, Ltd., Toronto. During his recent visit to Western Canada, Mr. Bradshaw made inquiries into the laws affecting mortgage loans in Alberta. He suggested to Mr. Hogg, who displayed a very thorough knowledge of the situation, that he set down in writing the views to which he had given expression.

The Financial Post is indebted to Mr. Bradshaw and to Mr. Hogg for the opportunity to provide this western view of a situation which has given much concern to mortgage loaning institutions in Eastern Canada.—Editor.

Investors, particularly the loan companies, have made loans in Alberta mortgages in past years on a generous scale. Those investors have recently made some heavy losses. The legislature of Alberta has meantime made some laws that interfere with investors. To-day these same invesors are crying: once bitten, twice shy; and they, with their capital, seem inclined to take to their heels. "Never again," they say, "until you change your laws." Our laws take the blame for losses, and for the present there are no more loans.

The objectionable laws are now too well known to need enumeration. First, there were the Seed Grain and Relief Acts passed in 1915. A drought accompanied by the outbreak of war called for some sort of governmental help to the grain growers. Emergent measures in the way of legislation were the order of the day in national affairs. The idea of state aid to agriculture was growing in popularity. Alberta was one of the biggest and the youngest states within the Empire. It offered a fallow field for experiments in legislation. Alberta readily adopted the plan of doling out relief with a view to development and production. It was not only a matter of salvage; it was a step towards prosperity. The fact that the government would protect itself for benefactions by preferred liens was a mere incident to the progress that would ensue. So it came that mortgagees of land found themselves superseded by the government in securities still termed first mortgages.

Three good crops followed, with rising prices for grain and land. Then came more legislation to provide for seed and relief, to help farmers produce and prosper.

Personal Covenant Abolished

In 1916 came the law most execrated, the one that cut into a mortgagee's remedy under the personal covenant. This forced the mortgagee to exhaust his remedies against the land itself before resorting to execution against other property of the mortgagor.

Other enactments from time to time added to the sums that a government, municipal or provincial, might collect by way of taxes. Taxes as such ranked ahead of mortgages. The government went into the hail insurance business, and to insure itself for premiums while insuring the farmers for losses, made those premiums a tax on the lands. It made the upkeep of hospitals also a charge on landowners by way of a tax. Thus taxes grew in number and in size. When it came to foreclosure of first mortgages there was a growing resentment on the part of investors.

In foreclosure proceedings, as lawyers can well testify, the most precarious factor and the most exasperating to plaintiffs, has been the wide discretion resting with judges, local judges and masters in chambers. Time may be the essence of the contract, but time, in the matter of enforcement of mortgages, has been in the control of the courts. Postponement or extension from month to month, even from year to year, has been a common concession to suppliant mortgagors.

Drought Relief Act

In 1922 came into force a temporary measure known as "The Drought Area Relief Act." That provided that in certain areas, presumably those stricken by drought, no creditor could enforce a claim without special leave. As a preliminary to getting such leave, the creditor had to notify an official known as the "commissioner." This meant in many cases expense and delay, and in as many more, chagrin and misunderstanding.

Under such laws the lenders of money on farm mortgages struggled and tussled for recovery of their moneys. Their protests reached the high heavens, and with practice they become more vehement. Losses accrued and lenders suffered. Criticism of Alberta and its laws became a topic for broadcasting. Along with the lenders and their clients, suffered the borrowers and the people of Alberta.

Let it be known, first of all, that much lending of money on land mortgages in the province of Alberta, now the subject of complaint, was from the outset a gamble. Much money lent was lost when it was lent. During the war and afterwards there was such inflation of prices that the values of all security were most precarious. A new country, of course, with bountiful crops coming at a crucial period offered special promise of advancement. The boom meant, perhaps, a mere acceleration of progress. Be that as it may, the records of production and the causes of inflation were an open book for investors to read.

Laws as They Are To-day

For losses on loans in Alberta we still blame the laws. On the laws as they are to-day some comments may be of interest.

In 1920 the statutes allowed for a mortgagee immediately on obtaining judgment for the amount of his mortgage to put a plaster, so to speak, on all the lands of the mortgagor. While he could not seize, occupy or sell those lands, he could straightway encumber them for what was owing under the mortgage on other lands.

Since 1922—that means the spring of 1922, four years ago—the government has not made or sanctioned anything in the way of loans or relief for which the province or a municipality would have a lien on land or crops. The only lien of this sort on land itself authorized by statute has been one that a mortgagee itself might take as an adjunct to its mortgage.

Since 1916 the government has not made or allowed any liens on land for special help in the way of seed or other necessaries which would take precedence over existing mortgages. In this respect the public of the province has been the goat. A long list of foreclosures tells a tale of loss to governments, provincial and local, in the wiping out of their junior liens for what relief they did provide.

In the matter of hail insurance there is still some ground of complaint. The owner, purchaser or tenant of land may insure the crops and thereby make the premium a tax on the lands without the knowledge or consent of the mortgagees. That law may call for amendment. Up to 1924 the law, as against the mortgagee, was more drastic still: the insurance was automatic, crop or no crop, consent or no consent. Now it is not so bad. Now, in fact, this law may prove for mortgagees a blessing in disguise. Where the mortgage is in arrear and the security in doubt the mortgagee has wide rights with respect to the crops under which, with ordinary diligence, he may profit by this scheme of insurance.

In 1922 the legislature affirmed finally the right of a mortgagee to assume the position of landlord to the mortgagor. In doubt as to collection of moneys falling due, the company holding a mortgage on land might stipulate with its borrower that he farm the land merely as tenant, yielding as rent, it might be, a share of the crops grown. That enactment—in the language of the showman—made a hit.

The Crop Payments Act

In the same year came "The Crop Payments Act." By that the vendor, mortgagee or lessor—in other words the man collecting the price, the loan or the rent on land—might claim absolute ownership in a share of the crop if he had stipulated for such share to come to him. That measure opened the door for mortgagees to enter into leases that to them were decidely advantageous. Incidentally, they benefited pro tanto by any statutory insurance against hail which the mortgagors or their tenants might arrange upon the crops.

With all these concessions the personal covenant still stands impaired. One cannot ride rough-shod over a borrower who has made default, taking, without restraint, his goods and chattels, lands and tenements not covered by the mortgage. There is propaganda to restore the personal covenant. In due time the legislature must and will restore it. As an experiment in legislation, the so-called abolition of this covenant may work, on the whole, more good than evil. The personal covenant at certain times lends itself very readily to the abuse and oppression of debtors. If lending goes on merrily and almost recklessly and then comes a period of deflation due to calamities like war and drought it may prove better for all concerned that the law err on the side of leniency and protection towards improvident borrowers of money—better, anyway, than to encourage harsh and drastic enforcement of these debtors' covenant to pay.

Personal Covenant Impaired

The personal covenant in a mortgage stands impaired, but not annulled. Since 1919, and more freely since 1920, the mortgagee may seek and procure leave on any reasonable ground to enforce to the full the personal covenant. The only serious hindrance will be in the discretion that a judge may in some cases exercise unwisely.

After all, the great source of complaint about getting in mortgage loans has been, not the laws themselves, but the generous use our courts have made of their discretionary powers in matters of procedure all for the benefit of the debtors. The law fixes no time limit for redemption. It remains for the court to do that. The court may from time to time adjourn proceedings. In recent years, with hopes and prospects of recovery in values and yields of farm lands, the courts have allowed adjournments and delays almost as a matter of course. From that tendency there is now a decided reaction. Local judges have quit listening to pleas for time based on the value of next year's crop. Experience has proven the folly of most attempts to help a debtor out of the hole by letting him go further in. The supreme court has pronounced it the fair and proper practice to allow a mortgagor three months to redeem. It is a common thing in cases where mortgagors are seriously in arrear to get an order allowing them only one month to pay up or lose their lands.

Public sentiment now endorses the strictor methods common in the courts. Much talk and wide experience have brought home to the people of Alberta at last the sanctity of a contract. From necessity farmers have almost quit borrowing. There have been too many days of reckoning in recent times to let anyone forget what it means to make a promise to pay. For this reason, if for no other, the field for lending money in Alberta to-day is most inviting.

But the ban placed on Alberta farm loans by lending companies still stands. For the same reason as they lent much money unwisely, perhaps these companies do not know or feel the revival in Alberta of ideas and sentiment that are the main security for loans. They still curse the laws. Perhaps the laws have often proven a convenient scrapegoat.

Sacrilegious it may sound, but westerners most loyal to all Canadian institutions cannot all persuade themselves that between lender and borrower, between financier and farmer, there can ever be relations intimate and direct enough, there can ever be discrimination and confidence enough to bring the best results so long as our lenders, our financiers operate through central offices removed hundreds or even thousands of miles from their customers.

Canada Must Cut Taxes Further to Stay in Race

(Continued from page 1)

least a curtailment in its increase, it is evident that they must be directed to our duly appointed representatives in the provincial government or to the councils of our municipalities.

Canada's public debt per capita is $452. That of the United States is $287. Canada's total public debt is 18.8% of national wealth, as compared with 9.6% in the United States.

During the past two months there has been a profound interest in the Canadian federal income tax. The burden of it under the proposed revisions has been entirely removed so far as approximately one third of our population is concerned. On another large proportion the actual levy has been substantially reduced. The relative rates of decrease in this tax or the bases of the taxation, judging by newspaper comment from coast to coast and the interest manifested by all classes in the community, has been deemed of some importance to a large portion of our Canadian people.

It is undoubtedly because the federal income tax is a direct tax that it is given the thought which the sum involved merits. The remainder of our national tax burden—or 90% of the total tax burden—is all too frequently taken for granted as something to be borne, or at any rate, as something beyond our immediate control, and not only is it accepted with more complacency, but the powerful effect of the aggregate of our taxation in attracting or repelling the flow of capital, is altogether a closed book.

As a matter of fact, the federal income tax represents less than 10% of the sum total of Canadian taxation. We pay more in provincial taxes than in the federal income tax. We pay almost four times as much as the federal income tax in municipal taxation. We pay five times as much in the form of other taxation to the federal government. Briefly, the figures may be tabulated as follows:

Fed. Inc. Tax, 1925, ..	$ 56,248.042	52%
Other Fed Taxes, 1925,	235,265,504	
Provincial Taxes, 1924,	61,077,353	11%
Municipal Taxes, 1923,	211,910,430	37%
	$564,501,329	100%

Our Taxes Are Heavy

Taxation, yielding as it does 70% of the total ordinary revenue of our governments and municipalities, represents by all odds the most important source of income. Furthermore, unless new sources of revenue are found, it is the one which lends itself most readily to the fluctuating monetary demands necessary for the carrying on of our several governments. It is the most likely channel of bolstering revenues made necessary by increased capital outlays. Increase in interest charges and sinking funds on our rapidly increasing funded debts must surely find their counterpart in an increasing burden of taxation.

In order to determine just how large relatively taxation is in Canada, one may compare our total taxation to the national income, with countries abroad. The following figures prepared by G. Findlay Shirras and submitted before the Royal Statistical Society in London, England, may be cited:

Great Britain	22.1%
Japan	21.8%
Italy	20. %
Canada	19.2%
Australia	18.4%
United States	10.5%
India	5.1%

More recent estimates published by the Citizens' Research Institute of Canada were as follows:

Great Britain	28.9%
Australia	21.6%
Canada	19.7%
United States	13.9%

Debt Charges Heavy Burden

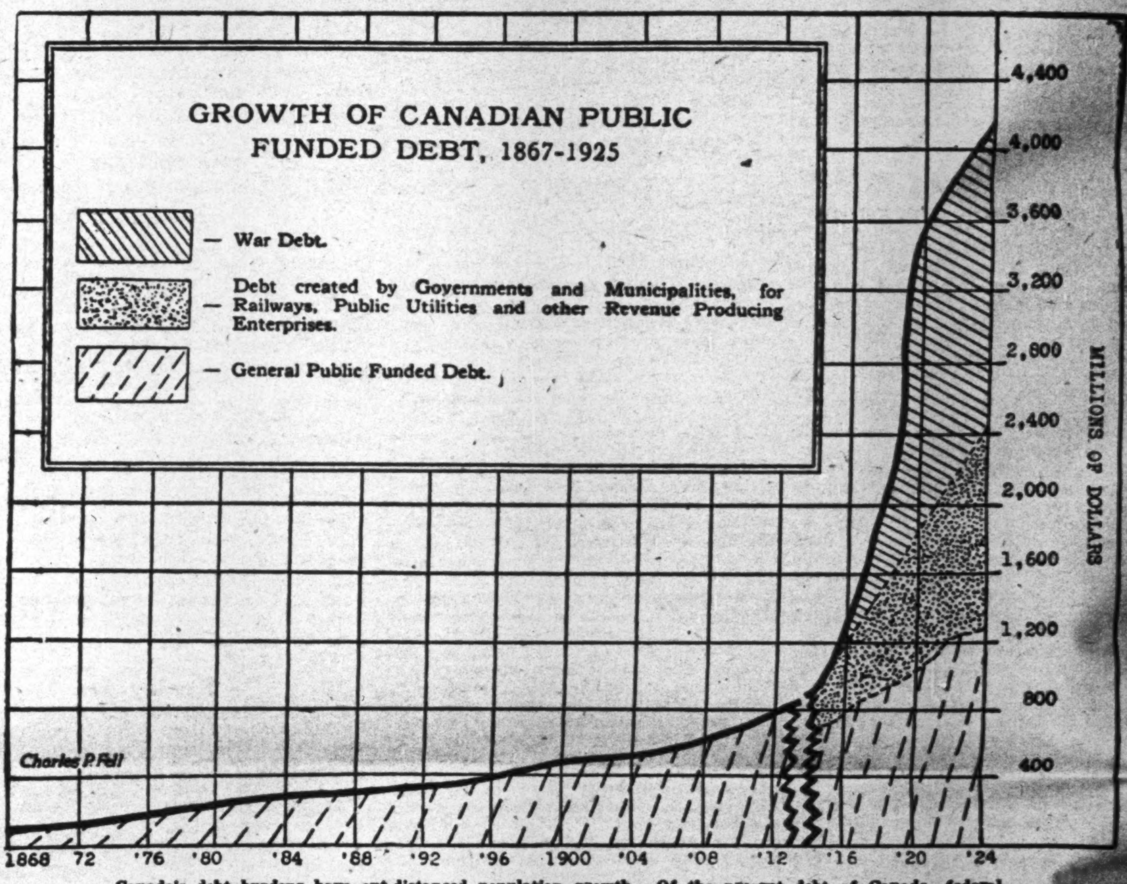
Having in mind the amount of our present public debt and taxation and realizing the importance of conserving so far as possible this most important source of government revenues, we may now naturally turn to the last method of measuring the burden of public debt, previously referred to, and enquire, first, how much of our present tax revenue is used to pay interest and sinking fund, and second, how much of our annual ordinary expenditures are comprised of interest and sinking fund.

Canadian debt charges at the present time consume an amount equivalent to approximately 50% of all moneys raised by taxation by the federal government, provincial governments and Canadian municipalities. In other words, almost $50 out of every $100 we pay in taxation goes to pay interest and amortize the principal of the bonds outstanding.

Of our total government and municipal ordinary expenditure 34% is interest and sinking fund.

The "burden of our public debt," therefore, responsible as it is for such a considerable part of an admittedly heavy tax load, high as it would appear when compared with countries abroad, rather than being innocuous and "fictitious" and "abounding in anomalies," as some students would have us believe, is a subject of serious import, and prevailing tendencies, no less than the conditions presently existing, are deserving of the unbiased study and action of well qualified government legislators and municipal councillors.

The facts now available are quite sufficient in themselves to cause our government bodies to initiate more serious endeavors towards reduction in taxation and curtailment in unproductive debt creation, if Canadian business is to succeed in the competitive markets of the world. It has been aptly said that "it is always production and productive industry which ultimately have to defray public expenditure, and when government expenditures—including fixed charges on the public debt—are excessive in any country, the competitive capacity of that country in the export market, and even in the home market, is greatly lessened."



Canada's debt burdens have out-distanced population growth. Of the present debt of Canada—federal, provincial, and municipal—about 40 per cent. was created by the war and about 28 per cent. is due to investments in publicly-owned business enterprise.

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